

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009**  
**(Expressed in Canadian Dollars)**

**(Unaudited)**

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**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The financial statements for the period ended November 30, 2009 and the accompanying notes thereto contained in this report have been prepared by the management and have not been reviewed or audited by the Company's external auditor.

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

	November 30, 2009 (Unaudited)	May 31, 2009 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 2,113,408	\$ 2,539,919
Accounts receivable	74,980	4,147
Prepaid expenses	-	909
	<b>2,188,388</b>	<b>2,544,975</b>
Mineral properties (Note 3)	<b>1,203,770</b>	381,554
Mineral properties of a disposable unit (Note 3 and Note 9)	-	571,524
	<b>\$ 3,392,158</b>	<b>\$ 3,498,053</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 113,594	\$ 103,144
Accounts payable of a disposable unit (Note 3 and Note 9)	-	28,544
	<b>113,594</b>	<b>131,688</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 4)	\$ 4,793,409	\$ 4,793,409
Contributed surplus (Note 4)	882,669	812,885
Deficit	(2,397,514)	(2,239,929)
	<b>3,278,564</b>	<b>3,366,365</b>
	<b>\$ 3,392,158</b>	<b>\$ 3,498,053</b>

**Nature of Operations and Going Concern** (Note 1)

**Commitment and Contingency** (Note 3 and Note 8)

**Subsequent Events** (Note 9)

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)

**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE  
LOSS AND DEFICIT  
(Unaudited)**

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>EXPENSES</b>				
Management and administration fees	-	6,800	-	20,751
Corporate development fees	-	7,000	-	28,000
Audit and accounting (Note 5)	11,629	21,026	30,304	46,154
Legal	3,451	10,934	34,201	34,385
Consulting fees (Note 5)	6,000	23,000	18,240	38,060
Director fees	-	2,000	-	5,000
Transfer agent and filing fees	2,817	4,996	7,893	7,864
Political contributions	-	4,150	-	65,781
Rent and office expenses (Note 5)	11,644	18,523	16,144	38,255
Bank charges	134	483	162	1,036
Stock-based compensation	69,784	-	69,784	-
Travel and promotion	3,142	8,082	3,142	21,958
Investor relations	397	21,140	3,295	98,173
	(108,998)	(128,134)	(183,165)	(405,417)
<b>OTHER INCOME</b>				
Foreign exchange gain (loss)	(3,098)	47,020	1,926	68,947
Interest income	10,164	4,613	23,654	16,595
	7,066	51,633	25,580	85,542
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(101,932)</b>	<b>(76,501)</b>	<b>(157,585)</b>	<b>(319,875)</b>
<b>DEFICIT- BEGINNING OF PERIOD</b>	<b>(2,295,582)</b>	<b>(1,648,525)</b>	<b>(2,239,929)</b>	<b>(1,405,151)</b>
<b>DEFICIT- END OF PERIOD</b>	<b>(2,397,514)</b>	<b>(1,725,026)</b>	<b>(2,397,514)</b>	<b>(1,725,026)</b>
<b>LOSS PER SHARE- BAISC AND DILUTED</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>17,645,031</b>	<b>17,645,031</b>	<b>17,645,031</b>	<b>17,511,698</b>

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

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

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>CASH PROVIDED BY (USED FOR)</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	(101,932)	(76,501)	(157,585)	(319,875)
Item not involving cash:				
Stock based compensation	69,784	-	69,784	-
Changes in non-cash working capital items:				
Accounts receivable	51,635	(6,094)	(70,833)	(1,986)
Prepaid expenses	75,000	(14,500)	909	(14,500)
Accounts payable and accrued liabilities	(9,884)	(57,948)	(18,094)	(56,923)
Cash from (used in) operating activities	84,603	(155,043)	(175,819)	(393,284)
<b>INVESTING ACTIVITIES</b>				
Mineral property exploration costs	(172,988)	(240,469)	(198,534)	(527,676)
Mineral property acquisition costs	-	(2,881)	(52,158)	(52,881)
Cash used in investing activities	(172,988)	(243,350)	(250,692)	(580,557)
<b>FINANCING ACTIVITIES</b>				
Shares issued for cash	-	-	-	24,625
Share issuance costs	-	(6,004)	-	(6,004)
Cash provided by (used in) financing activities	-	(6,004)	-	18,621
<b>NET INCREASE IN CASH</b>	<b>(88,385)</b>	<b>(404,397)</b>	<b>(426,511)</b>	<b>(955,220)</b>
<b>CASH- BEGINNING OF PERIOD</b>	<b>2,201,793</b>	<b>3,128,198</b>	<b>2,539,919</b>	<b>3,679,021</b>
<b>CASH- END OF PERIOD</b>	<b>2,113,408</b>	<b>2,723,801</b>	<b>2,113,408</b>	<b>2,723,801</b>
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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

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 generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these 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 November 30, 2009, the Company had not yet achieved profitable operations, had accumulated losses of \$2,397,514 since inception, had a working capital of \$2,074,794 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.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Basis of Presentation**

These interim 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 transactions and balances have been eliminated upon consolidation.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information and following the same accounting policies and methods of application as the most recent audited consolidated financial statements of the Company for the year ended May 31, 2009. These interim consolidated financial statements do not include all the information and note disclosures required by Canadian GAAP for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended May 31, 2009. In management's opinion, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the results expected for the financial year.

Certain comparative figures have been reclassified to conform to current period's presentation.

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) New Accounting Standards Adopted**

During the period, the Company adopted the following new accounting standards:

*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 Developments Costs*”. The new standard 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. The new standard is effective for the Company as of June 1, 2009. The adoption of this new standard does not have a material impact on the Company’s consolidated financial statements.

*Impaired Loans*

In August 2009, the CICA amended Section 3025 “*Impaired Loans*”. This section has been amended to conform the definition of a loan to that in amended Section 3855 and to include held-to-maturity investments within the scope of this section. These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008. The adoption of this standard does not have a material impact on the Company’s consolidated financial statements.

*Financial Instruments – Recognition and Measurement*

In July 2009, the Accounting Standards Board of Canada (“AcSB”) issued a typescript of amendments to Section 3855. In particular, entities that have classified financial assets as held-to-maturity investments are now required to assess those financial assets using the impairment requirements of Section 3025. The amendments allow more debt instruments to be classified as loans and receivables. In addition, these amendments require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances and require that loans and receivables that an entity intends to sell immediately or in the near term be classified as held for trading. These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008. There is no impact on the Company’s consolidated financial statements upon adoption of this standard.

*Financial Instruments-Disclosures*

In July 2009, the AcSB published amendments to Section 3862 to require improved and consistent disclosures about fair value measurements of financial instruments and liquidity risk. These amendments apply to annual financial statements relating to fiscal years ending after September 30, 2009. In the first fiscal year of application, an entity need not provide comparative information for the disclosures required by the amendments. There is no impact on the Company’s financial statements upon adoption of this standard.

## **RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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

### **(c) 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 Sections 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 any one of these Sections, the other two sections must also be adopted at the same time.

#### *Comprehensive Revaluation of Assets and Liabilities*

In August 2009, the CICA amended Section 1625 as a result of issuing Sections 1582 “*Business Combinations*”, 1601 “*Consolidated Financial statements*” and 1602 “*Non-Controlling Interests*” in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. If the Company adopts this section for a fiscal year beginning before January 1, 2011, it also adopts Section 1582. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

#### *Equity*

In August 2009, as a result of issuing section 1602 “*Non-Controlling Interests*”, the CICA amended Section 3251 requiring non-controlling interests to be recognized as a separate component of equity. These amendments apply only to entities that have adopted Section 1602. The Company is currently assessing the impact of this standard prior to implementation.

#### *International Financial Reporting Standards*

In addition to the above accounting pronouncements, the 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 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 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.

**RINGBOLT VENTURES LTD.**

(An Exploration Stage Company)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****3. MINERAL PROPERTIES****Hornby Basin Property – Northwest Territories, Canada**

By option agreement dated July 1, 2006 and the amended agreement dated June 30, 2007, 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.

The consideration for the 100% interest in the HB claims 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.

On August 8, 2008, the Company obtained written confirmation from the Optionors acknowledging that the Company has now earned a 100% interest.

During the period ended November 30, 2009, the Company undertook an exploration program and incurred \$75,000 exploration costs. The Company continued to evaluate the merits and timing of further exploration work on the HB claims.

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

The Company purchased 90% of the issued and outstanding shares of 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. On August 8, 2008, through its 90% interest in Bua, the Company was granted 9 State Mineral Leases for 6,277 acres in the Paradox Basin. As of November 30, 2009, the Company has advanced \$645,254 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.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****3. MINERAL PROPERTIES (continued)****Holbrook Basin Property – Arizona, U.S.A.**

On June 13, 2008, through its 90% interest in Bua, 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.

During the period ended November 30, 2009, the Company obtained additional 7 permits for Holbrook Basin property.

**Mineral Acquisition and Exploration Costs**

As at November 30, 2009, the Company had incurred mineral property acquisition and deferred exploration costs as follows:

**As at November 30, 2009**

	Acquisition Note 3(a)	Deferred Exploration Note 3(a)	Total
Hornby Basin- Northwest Territories, Canada	\$ 269,000	\$ 187,554	\$ 456,554
Paradox Basin- Utah, USA	136,333	297,215	433,548
Holbrook Basin- Arizona, USA	45,222	268,446	313,668
	\$ 450,555	\$ 753,215	\$ 1,203,770

**As at May 31, 2009**

	Acquisition Note 3(a)	Deferred Exploration Note 3(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	261,186	370,802
Holbrook Basin- Arizona, USA	20,411	180,311	200,722
Mineral properties from discontinued operation	129,397	442,127	571,524
	\$ 398,397	\$ 554,681	\$ 953,078

Refer to Notes 3(a) and 3(b) for the detailed mineral property costs incurred during the six months ended November 30, 2009 and for the year ended May 31, 2009.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****3. MINERAL PROPERTIES (continued)*****Mineral Acquisition and Exploration Costs (continued)***

- a) As 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 9).

## Mineral Property Costs for the Six Months Ended November 30, 2009

	Hornby Basin	Holbrook Basin	Paradox Basin	Total
Property acquisition costs				
Balance, beginning of the period	\$ 269,000	\$ 20,411	\$ 108,986	\$ 398,397
Cash	-	24,811	27,347	52,158
Balance, end of the period	269,000	45,222	136,333	450,555
Deferred exploration costs				
Balance, beginning of the period	112,554	180,311	261,816	554,681
Incurred during the period:				
Accumulated Amortization				
Consulting	-	35,785	35,399	71,184
Exploration	75,000	-	-	75,000
Geological	-	-	-	-
Permit applications	-	52,350	-	52,350
Professional services	-	-	-	-
Total expenditures during the period	75,000	88,135	35,399	198,534
Total expenditures, end of the period	187,554	268,446	297,215	753,215
Balance, end of the period	\$ 456,554	\$ 313,668	\$ 433,548	\$ 1,203,770

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****3. 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
Write-off of deferred exploration	-	(114,601)	(211,706)	(326,307)
Total expenditures, end of the period	112,554	180,311	261,816	554,681
Balance, end of the period	\$ 381,554	\$ 200,722	\$ 370,802	\$ 953,078

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****4. 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	12,126	-
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	231,629	(28,003)
<b>Balance – May 31, 2009</b>	<b>17,645,031</b>	<b>4,793,409</b>	<b>812,885</b>
Stock-based compensation	-	-	69,784
<b>Balance – November 30, 2009</b>	<b>17,645,031</b>	<b>\$4,793,409</b>	<b>\$ 882,669</b>

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****4. 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 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 \$12,126 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 Options**

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

A summary of the Company's stock option transactions for the period June 13, 2006 (date of incorporation) to November 30, 2009 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, June 16, 2006 (date of incorporation)	-	\$ -	-
Granted	658,499	0.25	2
Exercised	-	-	-
Balance, May 31, 2007	658,499	0.25	2
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, May 31, 2009	425,000	0.74	0.85
Granted	1,300,000	0.10	5
Balance, November 30, 2009	1,725,000	\$ 0.26	3.68

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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**4. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(c) Stock Options (continued)**

During the six months ended November 30, 2009, the Company granted 1,300,000 stock options of which all vested on the grant date.

As at November 30, 2009, there were 1,725,000 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
1,300,000	\$0.10	September 8,2014
1,725,000		

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 six months ended November 30, 2009, the Company recognized \$69,784 (2008 -\$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 six months ended November 30, 2009	For the year ended May 31,2009
Expected dividend yield	0.00%	n/a
Expected stock price volatility	90.0%	n/a
Risk-free interest rate	2.63%	n/a
Expected life of options	5 years	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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)****4. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(d) Share Purchase Warrants**

	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, May 31, 2008	3,874,500	0.75	1
Expired/Cancelled	(3,874,500)	0.75	-
Balance, May 31, 2009 and November 30, 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 \$0.25 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)	0.25	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 exercisable, May 31, 2009 and November 30, 2009	-	-	-

As of October 2, 2008, all of the remaining 74,942 agents' share purchase warrants expired.

## **RINGBOLT VENTURES LTD.**

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### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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#### **4. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)**

##### **(f) Escrow Shares**

As at November 30, 2009, there were 1,483,562 common shares (May 31, 2009 – 2,224,686) held in escrow by the Company's transfer agent. The release of these shares is subject to regulatory approval.

#### **5. RELATED PARTY TRANSACTIONS**

The following is a summary of the related party transactions that occurred during the six months ended November 30, 2009:

- a) Director fees of \$nil (2008 -\$5,000) were paid to a former director of the Company.
- b) Management fees of \$nil (2008 -\$20,751) were paid to a company controlled by a former director of the Company.
- c) Consulting fees of \$12,000 (2008 -\$12,500) were paid to a company controlled by a director of the Company.
- d) Accounting fees of \$9,000 (2008 - \$nil) and office rent of \$9,000 (2008 - \$nil) were paid to a company controlled by a director of the Company.
- e) Included in mineral property exploration costs \$75,000 (2008- \$nil) were paid to a company controlled by 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.

#### **6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk. The Board approves and monitors the risk management processes.

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

The Company is exposed to foreign currency risk relating to its 90% investment in Bua.

## **RINGBOLT VENTURES LTD.**

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### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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#### **6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

##### (ii) 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.

##### (iii) 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.

##### (iv) 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.

##### (v) 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.

#### **7. 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 economic 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 properties as circumstances dictate. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

## **RINGBOLT VENTURES LTD.**

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### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009 (Unaudited)**

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#### **8. CONTINGENCY**

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 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 9.

#### **9. SUBSEQUENT EVENTS**

On June 19, 2009, the Company entered into a share purchase agreement for the sale of all its interest in 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. The Company has also been discussing with the former manager of Bua regarding dismissal of the legal claim. As a result, Bua will no longer be classified as a disposable unit and has been consolidated with the Company.

On January 13, 2010, the Company announced that it has entered into an option agreement with Kalac Holdings Ltd. and Frontier Asset Management Ltd. to acquire a 100% interest in certain mineral claims known as the Roaring River property. The property consists of nine claims totalling 139 claim units (2,224 hectares) located approximately 140 kilometres north of Thunder Bay, Ont. Consideration for the acquisition is a cash payment of \$210,000, incurring exploration expenditures of \$1 million on the property over a five-year period, and the issuance of 2,000,000 common shares of the Company from treasury upon receipt of TSX Venture Exchange approval for this transaction. The vendor retains a 2% net smelter return, up to 1% of which may be purchased by the Company for \$1 million. This transaction is subject to regulatory approval.

On January 13, 2010, the Company also announced that it has entered into a private placement for the sale of 2,780,000 units at a price of \$0.105 per unit for total proceeds of \$291,900. Each unit will consist of one common share and one share purchase warrant for the purchase of one further common share of the company within five years at the price of \$0.25 per share. The transaction is subject to regulatory approval.