TONOGOLD RESOURCES, INC.

Financial Statements
(Unaudited)

For the three months ended March 31, 2013 and 2012

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Tonogold Resources, Inc.
Balance Sheets
(Unaudited)

		March 31, 2013		December 31, 2012
ASSETS				
Current Assets				
Cash	$	1,763	$	1,665
Accounts receivable		-		18,676
Total Current Assets		1,763		20,341
Property, plant and equipment, net		720		1,914
Project investments		57,578		57,578
Investment in Persistence Mining		5,000		5,000
Total Assets	$	65,061	$	84,833
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	$	25,791	$	23,555
Accrued payroll		200,986		164,986
Accrued interest		21,934		21,934
Accrued payroll taxes		82,300		82,021
Shareholder loans		5,500		5,500
Total Current Liabilities		336,511		297,996
Stockholders' Equity				
Preferred stock, 40,000,000 authorized: None issued at December 31, 2012, 800,000 issued at December 31, 2011		-		-
Common stock, $0.001 par value: 200,000,000 shares authorized, 107,853,126 shares issued and outstanding at March 31, 2013 and 107,853,126 at December 31, 2012 respectively		107,853		107,853
Additional paid-in capital		13,239,223		13,239,223
Comprehensive loss		-		-
Deficit accumulated		(13,618,526)		(13,560,239)
Total Stockholders' Equity		(271,450)		(213,163)
Total Liabilities and Stockholder's Equity	$	65,061	$	84,833

See accompanying notes to Financial Statements

Tonogold Resources, Inc.
Statement of Operations
(Unaudited)

	For the three months ended	
	March 31, 2013	**March 31, 2012**
Net Revenues	$ 4,092	$ -
Cost of Revenue	-	-
Gross Profit	4,092	-
Operating Expenses		
Mineral Property Costs	1,904	4,500
General and Administrative expenses	60,475	99,608
Total Operating Expenses	62,379	104,108
Loss from Operations	(58,287)	(104,108)
Other Income (Expense)		
Loss on sale of shares	-	(897,000)
Loss before provision for income taxes	(58,287)	(1,001,108)
Provision for income taxes	-	-
Net Loss	$ (58,287)	$ (1,001,108)
Net (Loss) Per Share - Basic and Fully Diluted	$ (0.00)	$ (0.01)
Weighted average number of Common shares outstanding, basic and fully diluted	107,854,126	100,758,126

See accompanying notes to Financial Statements

Tonogold Resources, Inc.
Statement of Cash Flows
(Unaudited)

	For the Three Months Ended	
	March 31, 2013	March 31, 2012
Cash Flows from Operating Activities		
Net gain or (loss)	$ (58,287)	$ (1,001,108)
Adjustment to reconcile net loss to net cash provided by operations:		
Depreciation	1,194	-
Non cash loss on sale of securities	-	897,000
Changes in operating working capital:		
Decrease in accouts receivable	18,676	-
Increase in accounts payable	2,236	-
Increase payroll accrual	36,000	-
Increase (decrease) accrued liabilities	279	(2,664)
Deferred (recognized) consulting fees	-	723
Net change in operating working captital	58,385	895,059
Net Cash Provided Used in Operations	98	(106,049)
Cash Flows From Investing Activities		
Sale of marketable securities	-	258,750
Investment in Persistence Mining, Inc.	-	(5,000)
Net Cash Provided by (Used in) Investments Activities	-	253,750
Cash Flows from Financing Activities		
Shareholder loans advanced (paid)	-	(52,850)
Net Cash Provided by Financing Activities	-	(52,850)
Net (Decrease) Increase in Cash	98	94,851
Cash--Beginning of Period	1,665	11,443
Cash - Ending of Period	$ 1,763	$ 106,294
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Income taxes paid	$ -	$ -
Interest paid	$ -	$ -

See accompanying notes to Financial Statements

Tonogold Resources, Inc.
Statement of Stockholders' Equity
(Unaudited)

	COMMON SHARES Shares	COMMON SHARES Par Value $0.001	ADDITIONAL PAID-IN CAPITAL	PREFERRED SHARES PAID IN C	PREFERRED SHARES PAR C	COMPREHENSIVE (LOSS)	INCOME (DEFICIT)	STOCKHOLDERS' ACCUMULATED EQUITY (DEFICIT)
Balance December 31, 2011	100,758,126	$ 100,756	$ 13,028,920	$ 199,200	$ 800	$ (741,750)	$ (12,319,589)	$ 268,337
Common stock issued for services	455,000	$ 455	$ 16,945					17,400
Conversion of Preferred shares Class C to Common stock	6,640,000	$ 6,642	$ 193,358	$ (199,200)	$ (800)			-
Net loss							(1,240,650)	(1,240,650)
Stock investments sold						741,750		741,750
Comprehensive gain (loss)								(498,900)
Balance Decemer 31, 2012	107,853,126	$ 107,853	$ 13,239,223	$ -	$ -	$ -	$ (13,560,239)	(213,163)
Net loss							(58,287)	(58,287)
Balance March 31, 2013	107,853,126	$ 107,853	$ 13,239,223	$ -	$ -	$ -	$ (13,618,526)	$ (271,450)

See accompanying notes to Financial Statements

Tonogold Resources, Inc.
Footnotes to Financial Statements
For the Three Months Ended March 31, 2013 and 2012

(Unaudited)

Note 1. Organization and Significant Accounting Policies

Organization and Line of Business

Tonogold Resources, Inc., a Delaware corporation, is a result of the Acquisition of Point Loma Partners, Inc. “PLP” by Gamesboro .Com, Inc. “GB” (formerly Alliance Trophy Club, Inc.) as of May 1, 2002. The Company changed its name to Tonogold Resources, Inc. in 2004.

In May of 2005 the Company formed a subsidiary, Prospect Uranium, Inc. which is in the uranium exploration business. Tonogold owned approximately 39.1% and controlled the operations of Prospect Uranium. On December 28, 2011 Tonogold issued 9,024,673 shares to acquire the all of the outstanding Prospect shares and immediately dissolved Prospect . The acquisition has been accounted for as an amalgamation in accordance with Accounting Standard 14 and pooling of interest accounting has been applied. As per SFAS No. 141 Business Combination, purchase accounting does not apply when a combination between businesses under common control are merged into one company.

Tonogold has been primarily engaged in the acquisition, exploration and development of mining properties, however in 2008 the company revised its business model and now focuses on obtaining and proving out mining properties for sale to other mining development companies in order to generate income in the form of cash, stock, joint venture interests, and royalties. In addition, the Company will do consulting with mining development companies.

During 2009 and continuing through the present the Company has generated revenues from the sale of mining properties taking stock, cash and royalty percentages and consulting fees.

Basis of Preparation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission ("Commission”).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue from the sale of leases at the time the lease is sold and income from consulting agreements as earned. Royalty income is recognized as received.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents.

Property, Plant and Equipment

Property, plant and equipment is stated at cost and depreciated using the straight-line method over the estimated useful life of the assets, which is three to ten years.

Long-Lived Assets

The Company accounts for intangible assets in accordance with Statement of Financial Accounting Standards (SFAS) No.144 " Accounting For The Impairment or Disposal of Long-Lived Assets" and Statement of Financial Accounting Standards (SFAS) No. 142 “Goodwill and Other Intangible”.

Comprehensive gain (loss)

The Company accounts for Comprehensive gain or loss in accordance with SFAS No. 310. Any change in the market price of shares held for investments are recorded as a comprehensive gain or loss. Comprehensive income or loss is reported in the Statement of Stockholders' Equity.

Income Taxes

The Company follows SFAS No. 109 "Accounting for Income Taxes" (SFAS No. 109) for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the differences between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expense or benefit is based on the change in the asset or liability each period. If available evidence suggests that is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax asset to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

Minimum State income taxes are recorded as paid.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period's presentation.

Going Concern

The consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As of March 31, 2013 the Company had cash of $1,763 and negative working capital of $334,748. The Company had net loss from continuing operations of $58,287 for the three months ended March 31, 2013.

The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Mining Property costs

The Company incurs costs on activities that relate to the securing of mining leases. The costs are capitalized as investments in projects until the lease can be sold or until the lease proves to be of no value and expensed.

Prior to 2008 all costs related to mining properties were expensed and that policy is still in effect for those properties the Company continues to hold.

Stock-Based Compensation

Statement of Financial Accounting Standards No. 123 (Revised 2004), “Share-Based Payment” (“SFAS 123R”). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The provisions of SFAS 123R, as amended, are effective for small business issuers beginning as of the next interim period after December 15, 2005.

The Company has elected to use the modified–prospective approach method. Stock-based compensation expense for all awards granted is based on the grant-date fair values estimated in accordance with the provisions of FAS 123R. The Company recognizes these compensation costs, net of an estimated forfeiture rate, on a pro rata basis over the requisite service period of each vesting trenched of each award.

The Company considers voluntary termination behavior as well as trends of actual option forfeitures when estimating the forfeiture rate.

The Company measures compensation expense for its non-employee stock-based compensation under the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) Issue No. 96-18, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services". The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital.

Basics and Diluted Net Loss Per Common Share

The Company computes per share amounts in accordance with SFAS No. 128, "Earnings per Share". SFAS No. 128 requires presentation of basis and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of common stock and common stock equivalents outstanding during the periods.

Note 2. Shareholder loans

The Company had loans from shareholders of $5,500. that are non-interest bearing and due on demand.

Note 3. Income taxes

The components of the deferred tax asset are as follows:

	March 31, 2013	December 31, 2012
Deferred tax assets		
Net operating loss carry-forward	$ 3,914,000	$ 3,890,000
Valuation allowance	(3,914,000)	(3,890,000)
Net deferred tax assets	$ -	$ -

The Company had available approximately $9,547,000 at March 31, 2013 and $9,500,000 at December 31, 2012 of unused Federal and California net operating loss carry-forwards that may be applied against future taxable income. These net operating loss carry-forwards expire through 2032 and 2022 for Federal and State purposes, respectively. There is no assurance that the Company will realize the benefit of the net operating loss carry-forwards.

SFAS No. 109 requires a valuation allowance to be recorded when it is more likely than not that some or all of the deferred tax assets will not be realized.

Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows at March 31, 2013 and December 31, 2012 respectively:

Statutory rate	35%
State taxes, net of Federal tax benefit	6%
Net operating loss carryforward	41%
Effective tax rage	0%

Note 4. Project investments

The Company is now leasing and exploring properties, not for in-house development, but for sale or joint venture to mining development companies. The Company accumulates the expenses on these leases until sold or, if they do not prove out, then the exploration costs are written off. During the year ended December 31, 2012 the Company determined that the Banderita project development was not feasible and the $1,769 incurred was written off.

The projects initiated thus far are as follows:

	Date started	Invested March 31, 2013	Invested December 31, 2012
Arizona project	September 2009	$ 33,638	$ 33,638
Coors project	December 2009	23,940	23,940
		$ 57,578	$ 57,578

Note 5. Mineral Properties

Prior to 2008, and subsequently for these properties, all costs were and are expensed as incurred.

	Property	Status	Date Signed	Costs incurred from inception to date
1.	King Tonopah East	Active	2/18/05	$222,695
2.	Tonopah Divide	Active	3/1/06	$470,174
3.	Arizona Claims	Active	10/01/09	$18,666

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1) King Tonopah East Lease

On February 18, 2005 the Company obtained a mining lease from Royce L. Hackworth and Belva Tomany to develop and operate mining properties in the Tonopah mining district, Nye County, Nevada. The agreement required an $11,000 payment at signing. The lease was amended on November 2, 2010 to include a revised schedule of annual payments listed below.

The Company will pay a royalty of 3% of all mineral sales that may be reduced to 1.5% upon payment of $150,000 during the first ten years.

Rentals are payable and investment required in exploration, development and mining as follows:

Year Ended	Rents Required
February 18, 2013	$4,500
February 18, 2014	$5,000
Subsequent years	$10,000

The rental payment due February 18, 2013 has not been paid while our lessor prepares a lease amendment proposal.

2) Tonopah Divide Lease

On March 1, 2006, the Company obtained a ten year mining lease from Tonopah Divide Mining Company, with option to renew as long as the property is in production, to develop and operate mining properties in the Divide Mining District, Esmeralda County, Nevada. The agreement required a $30,000 payment at signing and a rental payment of $10,000 per month starting April 1, 2006.

On March 14, 2008, the Company signed an Exploration and Option Agreement with Centerra (U.S.), Inc., a subsidiary of Centerra Gold, Inc.

The Exploration and Option Agreement required Centerra to spend $2,700,000 in exploration expenditures within five years in order to earn a 60% interest in the Tonopah Divide lease. On March 31, 2010, Centerra notified the Company that it had completed its earn-in requirement. In May 2010 the Company and Centerra formed a mining venture with initial equity interests of 40% and 60% respectively. The Company elected not to contribute to the 2010 and 2011 exploration programs and its ownership interest was reduced to 27.98%.

The mining venture’s formal operating agreement was signed on March 17, 2011.

Concurrent with the signing of the Exploration and Option Agreement, the terms of the mining lease with Tonopah Divide Mining Company have been amended per the following terms. Advance minimum royalties, investment required in exploration, development and mining are as follows:

Years Ended	Investment Required	Royalty
March 1, 2013	$450,000	$7,000
March 1, 2014	$200,000	$75,000
March 1, 2015	$200,000	$75,000
March 1, 2016	$200,000	$75,000
Subsequent Years	$300,000	$75,000

Prior advance minimum royalty payments can be offset against production royalty payments.

Upon commencement of commercial production a maximum of 4% net smelter royalty will be paid to the Tonopah Divide Mining Company or its associated lessors.

The mining venture with Centerra was terminated on October 15, 2012 and Tonogold's ownership interest (subject to the terms of the Amended Lease) is now 100%.

3) Arizona Claims

In October 2009 the Company staked six mining claims in Yavapai County, Arizona. In October 2010 we staked an additional 24 unpatented mining claims in Yavapai and Mohave Counties, Arizona. All Arizona claims remain in good standing.

Note 6. TNR Gold Corp. Investment

On October 30, 2009, the Company agreed to give TNR Gold Corp. (TNR) the exclusive option to acquire 100% interest in Sarcobatus Flats property located in Nye County, Nevada for $130,000 and 675,000 shares of TNR common stock.

In 2009 the Company received $25,000 and 75,000 shares of common stock valued at $0.30 per share ($22,500) based on the per share value on the TSX Venture Stock Exchange, which the Company recorded as income. These shares were sold in 2010.

In 2010 the Company received 125,000 shares valued at $0.17 per share ($21,250) and $10,000 in cash. On June 1, 2011 the Company received and additional payment of $20,000. The 125,000 shares were sold during the year ended December 31, 2011.

In 2011 the Company received 200,000 shares of International Lithium valued at $0.10 per share ($20,000) and $34,985 in cash.

On September 1, 2012 TNR dropped the Sarcobatus Flats property and we dropped our claims. On November 1, 2012 TNR agreed to make a final payment of $20,875 that was made in November..

Note 7. Sale of Secure Energy LLC

On March 17, 2011, Prospect Uranium, Inc (Prospect) sold its joint venture interest in Secure Energy, LLC. to American Energy Fields, Inc., that changed its name to Continental Resources Group, Inc (Continental), for $60,000 and 2,725,000 restricted common shares ($1,825,750 at market value) of Continental. The shares of Continental received by Prospect are subject to a lockup agreement whereby Prospect may sell up to 340,625 shares per quarter. Additionally, Continental assumed $80,664 in debt of Prospect. Secure Energy, LLC was the owner of three uranium mining leases.

During the year ended December 31, 2011 the Company sold 1,000,000 shares of Continental for $150,000 to Barry Honig, the Chairman of Continental leaving the Company with 1,725,000 shares.

During the year ended December 31, 2012 the Company sold the remaining 1,725,000 shares for $258,750.

Note 8. Comprehensive income (loss)

Since the acquisition of the Continental shares in March 2011 the market value of the Continental shares received by Prospect for the sale of Secure Energy, LLC dropped from $0.65 to $0.24 resulting in a $741,750 loss in value. The loss was recognized in “Comprehensive loss “in the Stockholders’ equity section. In accordance with the Company’s accounting policy as included in Note 1 Continental has agreed to be acquired by Sagebrush Gold, Inc. ("Sagebrush"), listed on the OTC Bulletin Board under the symbol "SAGE". The Company believes that the lockup agreement on its Continental shares is no longer in effect.

The Comprehensive loss was realized when the Company sold the remaining shares in Continental (see Note 7).

Note 9. Conversion of Preferred shares

On May 9, 2012 the Company revised its authorization to issue common and preferred stock. The Company is authorized to issue 40,000,000 shares of preferred stock at a par value $0.001 and 200,000,000 shares of common stock at a par value of $0.001.

On June 19, 2012 the preferred shareholders converted all of the outstanding preferred shares (800,000) into 6,640,000 shares of restricted common stock plus an aggregate 25% gross proceeds royalty on the sale of the Company's Coors Mine in Yavapai County, Arizona. Prior to the change above these preferred shares had been designated as Series C. The Company has indicated the converted shares as Series C in the Statement of Stockholders' Equity.

Note 10. Persistence Mining Inc.

Persistence Mining, Inc. (PMI) was formed as a Nevada corporation in February 2012 with Tonogold acquiring 750,000 shares (4.5%) of the company. PMI will explore and develop barite mines in Nevada. On October 1, 2012 Tonogold signed a one year contract with PMI to provide management services for $20,000 per month. This contract was canceled during the three months ended March 31, 2013.

Note 11. Subsequent Events

On April 1, 2013, the Company entered into an agreement with mining executive, Mark Ashley. Under the terms of the Agreement, Mr. Ashley has agreed to assume the role of CEO of the Company following the completion of a capital raising.

On April 19, 2013, the Company signed an agreement with Pareto Capital Pty Ltd. ("Pareto"), a West Australian based boutique venture capital and investment firm specializing in raising capital for the micro-cap and junior mining sector.

Under the terms of the agreement, Pareto will serve as lead manager for a private capital raise and provide general corporate advice and services.

On May 10, 2013, the Company sold its Arizona mining project for $20,000 and a 3% gross production royalty capped at $50,000.

PART 2 MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis should be read in conjunction with Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2012 and filed with OTC Markets (available online here: http://www.otcmarkets.com/stock/TNGL/filings).

The Company was organized to engage in the acquisition, exploration and development of mining properties. However, in 2008 the Company changed its focus to engage in the acquisition and exploration of mining properties with the objective to sell those properties that proved out to companies that focused on the development and operation of mining properties.

Revenues

During the three months ended March 31, 2013 the Company only had revenue from management fees of $4,092 from Persistence Mining, Inc.

Mineral property costs

Mineral property costs were $1,904 for the three months ended March 31, 2013 is comparable to the $4,500 of the prior year. These costs included rental cost required on the King Tonopah properties of $4,500.

General and administrative expenses

		March 31, 2013		March 31,2012
Wages	$	48,000	$	62,033
Office		1,695		1,241
Advertising		-		3,482
Insurance		1,456		1,959
Travel		311		4,225
Telephone		2,491		4,657
Professional fees		5,300		17,510
Other		1,222		4,501
Total	$	60,475	$	99,608

Wages expenses are down as a result fewer employees and a severance payment of $16,000 in 2012.

The Company moved from its offices in La Jolla in 2010 and was able to acquire office space at no charge in Chula Vista. Travel expenses were down due to less required travel to develop new leases. Professional fees, legal fees, investor relation fees and accounting fees have been reduced due to less activity.

Working capital

As of March 31, 2013 the Company had cash of $1,763 and negative working capital of $334,748. The Company had net loss from continuing operations of $58,287 for the three months ended March 31, 2013

The Company will need to raise additional funds during the next twelve months in order to sustain our business. Additional funds may not be available and we cannot predict what revenues and cash flow from operations we can expect during the next twelve months.

The Company has signed an agreement with Pareto Capital Pty Ltd. ("Pareto"), a West Australian based boutique venture capital and investment firm specializing in raising capital for the micro-cap and junior mining sector.

Under the terms of the agreement, Pareto will serve as lead manager for a private capital raise and provide general corporate advice and services.