TONOGOLD RESOURCES, INC.

Financial Statements

For the Six months ended June 30, 2014 and 2013

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Tonogold Resources, Inc.
Balance Sheets
(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash	$ 14,252	$ 7,647
Prepaid expense	17,621	-
Total Current Assets	31,873	7,647
Fixed Assets		
Property, plant and equipment, net	3,648	3,793
Other Assets		
Investment in Mil-ler Resouces and Energy SA de CV	100,000	-
Investment in Persistence Mining	5,000	5,000
Total Assets	$ 140,521	$ 16,440
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 9,650	$ 8,776
Convertible notes payable	$ 586,250	$ 30,000
Accrued payroll	73,851	51,977
Accrued interest	10,967	10,967
Accrued payroll taxes	44,967	31,827
Total Current Liabilities	725,685	133,547
Stockholders' Deficit		
Preferred stock, 40,000,000 authorized: None issued at December 31, 2013 and 2012	-	-
Common stock, $0.001 par value: 200,000,000 shares authorized, 190,148,612 shares issued and outstanding at June 30, 2014 and at December 31, 2013 respectively	190,149	190,149
Additional paid-in capital	13,842,694	13,842,694
Subscibed common stock	14,781	14,781
Deficit accumulated	(14,632,788)	(14,164,731)
Total Stockholders' Deficit	(585,164)	(117,107)
Total Liabilities and Stockholder's Equity	$ 140,521	$ 16,440

The accompanying notes are an integrat part of these financial statements

Tonogold Resources, Inc.
Statement of Operations
(Unaudited)

	For the Six months ended		For the Three months ended	
	JUNE 30, 2014	**JUNE 30, 2013**	**JUNE 30, 2014**	**JUNE 30, 2013**
Net Revenues	$ -	$ 2,192	$ -	$ 2,192
Cost of Revenue	-	-	-	-
Gross Profit (loss)	-	2,192	-	2,192
Operating Expenses				
Mineral Property Costs	128,127	24,088	126,068	22,185
General and Administrative expenses	339,930	188,048	199,668	127,573
Total Operating Expenses	468,057	212,136	325,736	149,758
Gain (Loss) from Operations	(468,057)	(209,944)	(325,736)	(147,566)
Loss on sale of projects	-	37,578	-	37,578
Gain (Loss) before provision for income taxes	(468,057)	(247,522)	(325,736)	(185,144)
Provision for income taxes	-	-	-	-
Net Gain (Loss)	$ (468,057)	$ (247,522)	$ (325,736)	$ (185,144)
Net (Loss) Per Share - Basic and Fully Diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of Common shares outstanding, basic and fully diluted	190,148,612	110,052,828	190,148,612	112,228,357

See accompanying notes to Financial Statements

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

	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Cash Flows from Operating Activities		
Net gain or (loss)	$ (468,057)	$ (247,522)
Adjustment to reconcile net loss to net cash provided by operations:		
Depreciation	145	-
Changes in operating working capital:		
Decrease in accounts receivable	-	18,676
Increase in prepaid expenses	(17,621)	-
Increase (decrease) in accounts payable	874	(15,810)
Increase in accrued liabilities	13,140	29,017
Increase (decrease) in salaries payable	21,874	(30,000)
Net change in operating working captital	18,412	1,883
Net Cash Used in Operations	(449,645)	(245,639)
Cash Flows From Investing Activities		
Purchase of fixed assets	-	(1,931)
Sale of Arizona and Coors projects	-	57,578
Investment in Mil-ler Resources and Energy SA de CV	(100,000)	-
Net Cash Provided by Investments Activities	(100,000)	55,647
Cash Flows from Financing Activities		
Shareholder loans advanced (paid)	-	(5,500)
Convertible loan	556,250	-
Subscribed stock	-	113,781
Common stock issued for cash	-	546,658
Net Cash Provided by Financing Activities	556,250	654,939
Net (Decrease) Increase in Cash	6,605	464,947
Cash--Beginning of Period	7,647	1,665
Cash - Ending of Period	$ 14,252	$ 466,612
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -

See accompanying notes to Financial Statements

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

	COMMON SHARES Shares	Par Value $0.001	ADDITIONAL PAID-IN CAPITAL	SUBSCRIBED STOCK	INCOME (DEFICIT)	STOCKHOLDERS' ACCUMULATED EQUITY (DEFICIT)
Balance December 31, 2012	107,853,126	$ 107,853	$ 13,239,223		$ (13,560,239)	(213,163)
Shares issued for cash	81,076,930	81,077	593,723			674,800
Shares issued for interest payable	1,218,556	1,218	9,749			10,967
Subscribed stock				14,781		14,781
Net loss					(604,492)	(604,492)
Balance December 31, 2013	190,148,612	$ 190,148	$ 13,842,695	$ 14,781	$ (14,164,731)	$ (117,107)
Subscribed stock						-
Net loss					(468,057)	(468,057)
Balance June 30, 2014	$ 190,148,612	$ 190,148	$ 13,842,695	$ 14,781	$ (14,632,788)	$ (585,164)

The accompanying notes are an integrat part of these financial statements

Tonogold Resources, Inc.
Footnotes to Financial Statements
For the Six Months Ended June 30, 2014 and 2013

(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.

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 un-audited 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. For lease of mining properties acquired prior to the above policy the Company still expenses costs associated with continuing those leases.

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".

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. The reclassifications had on effect on the net loss, total assets, or shareholders' deficit.

Going Concern

The financial statements have been prepared assuming that the Company will continue as a going concern. As of June 30, 2014 the Company had cash of $14,252 and negative working capital of ($107,562). The Company had net loss from continuing operations of $468,057 for the six months ended June 30, 2014.

The accompanying financial statements do not include any adjustments relating to the recovery 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.

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

Note 2. Income taxes

The components of the deferred tax asset are as follows:

	June 30, 2014	December 31, 2013
Deferred tax assets		
Net ooperating loss carry-forward	4,330,000	$ 4,100,000
Valuation allowance	(4,330,000)	(4,100,000)
Net deferred tax assets	$ -	$ -

The Company had available approximately $10,578,000 at June 30, 2014 and $10,104,000 at December 31, 2013 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 2034 and 2024 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 June 30, 2014 and December 31, 2012 respectively:

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

Note 3. Project investments

During the year ended December 31, 2013 the Company sold Arizona project and Coors project for $20,000 and a 3% royalty capped at $50,000. The total invested on the date of sale was $33,638 in Arizona project and $23,940 in Coors project, a total of $57,578. The Company has recognized the loss of $37,578 in the accompanying financial statements. Any royalties received will be recognized as income when received.

Note 4. 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	$240,465
2.	Tonopah Divide	Active	3/1/06	$651,888

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 described 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.

The Company paid rental of $4,500 in the year ended December 31, 2013 and $5,000 during the period ended June 30, 2014. Future annual lease payments will be $10,000 due in February of each year. There are no required work commitments.

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. Centerra incurred project related expenses of approximately $4.7 million over a four year period. The mining venture with Centerra was terminated in 2012 and Tonogold's ownership interest in the project is now 100% subject to the terms of the leases.

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. The Company paid the royalty requirement for 2014 of $100,000. Advance minimum royalties, investment required in exploration, development and mining are as follows:

Years Ended	Investment Required	Royalty
March 1, 2015*	-	$62,500
March 1, 2016*	-	$75,000
Subsequent Years*	$300,000	$75,000

*Advance minimum royalty payments will be paid on a pro-rated monthly basis beginning June 1, 2015. Advance minimum royalty payments are adjusted by the increase in the CPI (consumer price index) on an annual basis.

There is no additional investment required until 2024.

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.

In addition to the primary lease with the Tonopah Divide Mining Company there are several subordinate leases including the Victory Divide, Apex-Bookeeper, El Rio Ray-Bally Hoo Bey, and Mammoth leases. Rental payments for the subordinate leases total approximately $12,250 per year.

Note 5. Private Placement of common shares

On June 6, 2013, we closed a private placement and issued 81,076,930 shares for $724,391 less expenses of $49,591 for a net $674,800 to December 31, 2013. The Company issued 1,218,656 in payment of interest payable $10,967 during the year ended December 31, 2013. At December 31, 2013 the Company had subscribed shares of $14,781 (1,642,333 shares). On June 23, 2014 the shareholders authorized the 1-for-10 reverse share split. The shares to be issued and subscribed will be adjusted accordingly after the reverse split takes place.

Note 6. Convertible notes payable

The Company issued notes convertible in common shares in the amounts of $30,000 in 2013 and an additional $556,250 during the six months ended June 30, 2014. The total is convertible into shares at $0.05 per share (11,725,000 shares). If the notes are converted to common shares the purchaser will receive 12 three year warrants for every $1.00 invested to purchase common shares at $0.10 per share. On June 23, 2014 the shareholders authorized the 1-for-10 reverse share split. The convertible features of these notes will be adjusted accordingly after the reverse split takes place.

Note 7. Warrants issued for services

In May and June 2013 the Company issued warrants for services as follows:

Issue Date	Name / Services Rendered	Exercise Price	Underlying Shares / Expiration Date
5/29/13	Comstock Royalty, Inc. Corporate Advisory / Financial Relations	$.01	1,600,000 Expire: May 29, 2016
6/1/13	Mark J. Ashley Issued to CEO (Employment Contract)#	$.01	1,700,000 Expire: June 6, 2018
6/1/13	Simona Ashley Issued to CEO (Employment Contract)#	$.01	1,700,000 Expire: June 6, 2018
6/1/13	Mark J. Ashley Issued to CEO (Employment Contract)#	$.05	1,650,000 Expire: June 6, 2018
6/1/13	Simona Ashley Issued to CEO (Employment Contract)#	$.05	1,650,000 Expire: June 6, 2018
6/1/13	Mark J. Ashley Issued to CEO (Employment Contract)#	$.08	1,650,000 Expire: June 6, 2018
6/1/13	Simona Ashley Issued to CEO (Employment Contract)#	$.08	1,650,000 Expire: June 6, 2018
6/6/13	Pareto Capital, Ltd. Investment Banking Services	$.01	3,000,000 Expire: June 30, 2018
5/7/14	Mark Ashley CEO	$.10	10,000,000 Expire: May 7, 2019
5/7/14	Jeffrey J. Janda Director / Consulting Services	$.10	5,000,000 Expire: May 7, 2019
5/7/14	Brian A. Zamudio Director / Consulting Services	$.10	5,000,000 Expire: May 7, 2019

#10 million warrants issued to CEO (directly and to nominee) pursuant to Contract of Employment

On June 23, 2014 the shareholders authorized the 1-for-10 reverse share split. The convertible features of these warrants will be adjusted accordingly after the reverse split takes place.

Note 8. Employment agreement

In March 2013 the Company entered into an employment agreement with the Chief Executive Officer that includes managing the Company's interests. The contract was conditional on raising capital of between $360,000 to $675,000, which was satisfied within the time frame established. Remuneration was set at $192,000 per year plus the issue of 10 million warrants (see Note 7).

Note 9. Investment in 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 10. Agreement with Mil-ler Resources and Energy SA

On October 18, 2013, Tonogold Resources, Inc. entered into an exclusive option agreement with Mil-Ler Resources and Energy SA ("MIL-LER") a private Mexican mining and exploration company to acquire up to 34% equity interest in MILLER in two tranches of $5 million each for a total investment of up to $10 million. On February 18, 2014, the option was extended until March 28, 2014 and Tonogold obtained the right to purchase shares from existing shareholders that would bring its ownership in Mil-Ler to 51% for a payment of $6 million plus a minimum of 59 million shares in Tonogold (subject to raising scale in the event that Tonogold's share price is above 10cps at that time). On May 8, 2014 Tonogold obtained the right to acquire 100% upon issuance of 541 million (54,100,000 after split) Tonogold shares subject to the shareholders approving a 1-for-10 reverse share split and an adjustment to the authorized capital to enable the shares to be issued (See Note 11 below).

MIL-LER is currently owned by two groups, each having 50% ownership, the first being a small group of US investors and the other 50% by two Mexican individuals who control a large Mexican construction company.

MIL-LER owns mineral rights over approximately 135 square miles (350 square kilometers) 40 kilometers north of Hermosillo (the capital of Sonora), Mexico. Exploration drilling over a small area of the total claims during 2011 confirmed the presence of iron ore mineralization. MIL-LER commenced a small scale operation in January 2013 and mines ore (both hematite and magnetite) which is beneficiated via a simple two stage crushing and dry magnetic separation process producing approximately 15,000 tonnes of iron ore product which is transported by road to main port at Guaymas (180 kilometers from site) where the product is shipped and sold to China under an off-take agreement.

Note 11. Subsequent Event

At the Annual Shareholder's Meeting on June 23, 2014 we approved a 1-for-10 reverse split of the common stock and an increase in the post-split authorized common shares to 200,000,000. The reverse split was concluded on July 29, 2014 and our stock trades under the symbol "TNGLD".

PART 2 MANAGEMENT'S DISCUSSION AND ANALYSIS

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. The Company is now focused on the acquisition of Mil-ler Resources and Energy SA de CV (Mil-ler) an iron mining operation in Mexico.

Revenues

The Company has no revenues for the six months as compared to $2,192 from management fees in the first six month of 2013. The Company had an additional loss of $37,578 from the sale of the Arizona and Coors projects in 2013.

Mineral property costs

Mineral property costs were $128,127 for the six months as compared to $24,088 for the prior year. This included lease and royalty payments on the King Tonopah East of $5,000 and $100,000 on the Tonopah Divide properties.

General and administrative expenses

	June 30, 2014	June 30, 2013
Wages and salaries	$ 250,864	$ 92,320
Office	2,635	2,862
Insurance	2,309	2,717
Rent	4,627	1,094
Investor relations	19,619	14,382
Pink sheet filings	4,720	4,500
Travel	24,916	2,428
Telephone	6,483	4,779
Legal fees	10,981	8,945
Accounting fees	4,934	6,623
Other expense	7,841	47,398
	$ 339,929	$ 188,048

Salaries and wages were up $158,544 mainly the result of the employment contract with the Chief Executive Officer. Travel has increased $22,488 over the prior year due mainly to the acquisition of Mil-ler.

Working capital

As of June 30, 2013 the Company had cash of $14,252. During the year the Company completed a round of financing with Pareto Capital Pty Ltd. in the amount of $719,581. The company had a negative working capital position of ($107,562) at June 30, 2014. The Company had net loss from continuing operations of $468,057 for the six months ended June 30, 2014 as compared a net loss from continuing operations of $247,522 for the six months ended June 30, 2013.

The Company has issued an additional $556,250 in convertible notes during the six months ended June 30, 2014.

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 is working with EAS Advisors, LLC and Merriman Capital, Inc. to fund the development of the Mil-ler mining properties.