

Bullfrog Gold Corp.
Form 10-Q
April 29, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For quarterly period ended March 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 333-164908

BULLFROG GOLD CORP.

(Exact name of registrant as specified in its charter)

| | |
|--|--------------------------------------|
| <u>Delaware</u> | <u>41-2252162</u> |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

| | |
|--|---------------------|
| <u>897 Quail Run Drive</u> | |
| <u>Grand Junction, Colorado</u> | <u>81505</u> |
| (Address of principal executive offices) | (Zip Code) |
| <u>(970) 628-1670</u> | |

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in 12b-2 of the Exchange Act.) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 44,991,045 shares of common stock, par value \$0.0001, were outstanding on April 25, 2014.

BULLFROG GOLD CORP.

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BULLFROG GOLD CORP.

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

March 31, 2014 and December 31, 2013

| Assets | 3/31/14 | 12/31/13 |
|--|-------------|-------------|
| Current assets | | |
| Cash | \$ 197,755 | \$ 207,332 |
| Restricted cash | 500,000 | 500,000 |
| Deposits | 24,854 | 24,854 |
| Prepaid expenses | 14,874 | 22,311 |
| Total current assets | 737,483 | 754,497 |
| Other assets | | |
| Mineral properties | 1,680,700 | 1,680,700 |
| Deferred financing fees | 453,439 | 616,888 |
| Total other assets | 2,134,139 | 2,297,588 |
| Total assets | \$2,871,622 | \$3,052,085 |
| Liabilities and Stockholders' Equity (Deficit) | | |
| Current liabilities | | |
| Accounts payable | \$22,932 | \$75,972 |
| Note payable | 2,900,000 | 2,600,000 |
| Other liabilities | 10,826 | 10,192 |
| Total current liabilities | 2,933,758 | 2,686,164 |
| Warrant liability | 120,095 | 300,620 |
| Total liabilities | 3,053,853 | 2,986,784 |
| Stockholders' equity (deficit) | | |
| Preferred stock, 50,000,000 shares authorized, \$.0001 par value | | |
| Series B 400,000 issued and outstanding as of 3/31/14 and 12/31/13 | 40 | 40 |
| Common stock, 200,000,000 shares authorized, \$.0001 par value; 44,991,045 shares and outstanding as of 3/31/14 and 12/31/13 | 4,499 | 4,499 |
| Additional paid in capital | 6,243,542 | 6,243,542 |
| Deficit accumulated during the exploration stage | (6,430,312) | (6,182,780) |
| Total stockholders' equity (deficit) | (182,231) | 65,301 |
| Total liabilities and stockholders' equity (deficit) | \$2,871,622 | \$3,052,085 |

See accompanying notes to consolidated financial statements

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BULLFROG GOLD CORP.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2014 and 2013, and the Period from January 12, 2010 (Inception) through March 31, 2014

| | Three Months Ended | | Inception (January 12, 2010) through 3/31/14 |
|--|--------------------|----------------|--|
| | 3/31/14 | 3/31/13 | 3/31/14 |
| Revenue | \$— | \$— | \$— |
| Operating expenses | | | |
| General and administrative | 145,012 | 329,083 | 3,333,532 |
| Exploration costs | 82,904 | 446,242 | 2,054,097 |
| Marketing | 2,796 | 694,665 | 3,019,455 |
| Total operating expenses | 230,712 | 1,469,990 | 8,407,084 |
| Net operating loss | (230,712) | (1,469,990) | (8,407,084) |
| Other income | 15,500 | — | 37,154 |
| Interest expense | (212,845) | (175,712) | (1,044,652) |
| Revaluation of warrant liability | 180,525 | 524,821 | 2,984,270 |
| Net loss | \$(247,532) | \$(1,120,881) | \$(6,430,312) |
| Weighted average common shares outstanding – basic and diluted | 44,991,045 | 40,191,546 | |
| Loss per common share – basic and diluted | \$(0.01) | \$(0.03) | |

See accompanying notes to consolidated financial statements

BULLFROG GOLD CORP.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2014 and 2013, and the Period from January 12, 2010 (Inception) through March 31, 2014

| | Three Months Ended | | Inception |
|--|--------------------|---------------|---|
| | 3/31/14 | 3/31/13 | (January 12, 2010) through 3/31/14 |
| Cash flows from operating activities | | | |
| Net loss | \$(247,532) | \$(1,120,881) | \$(6,430,312) |
| Adjustments to reconcile net loss to net cash used in operating activities | | | |
| Gain on other transactions | (15,500) | — | (37,154) |
| Revaluation of warrant liability | (180,525) | (524,821) | (2,984,270) |
| Stock-based compensation | — | 181,220 | 1,843,810 |
| Stock issued for services | — | 160,000 | 381,250 |
| Stock issued for financing fee on note payable | — | — | 49,500 |
| Stock issued to employees | — | — | 185,000 |
| Amortization of deferred financing fees | 163,449 | 163,449 | 854,153 |
| Change in operating assets and liabilities: | | | |
| Receivable from pre-merger Bullfrog | — | — | 48,637 |
| Deposits | — | — | 26,510 |
| Prepaid expenses | 7,437 | 6,043 | (14,874) |
| Accounts payable | (37,540) | 14,677 | 38,432 |
| Other liabilities | 634 | 809 | (2,557) |
| Accrued interest | — | — | 29,649 |
| Net cash used in operating activities | (309,577) | (1,119,504) | (6,012,226) |
| Cash flows from investing activities | | | |
| Acquisition of mineral properties | — | — | (1,010,000) |
| Increase in restricted cash | — | — | (500,000) |
| Net cash used in investing activities | — | — | (1,510,000) |
| Cash flows from financing activities | | | |
| Proceeds from sales of common stock | — | — | 3,066 |
| | — | 450,015 | 4,820,015 |

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| | | | |
|--|-----------|------------|------------|
| Proceeds from private placement of common stock, preferred stock and warrants, net of fees | | | |
| Proceeds from notes payable | 300,000 | 559,031 | 3,170,900 |
| Payment of deferred financing fees | — | — | (244,000) |
| Repayment of notes payable | — | — | (30,000) |
| Net cash provided by financing activities | 300,000 | 1,009,046 | 7,719,981 |
| Net increase (decrease) in cash | (9,577) | (110,458) | 197,755 |
| Cash, beginning of period | 207,332 | 603,233 | — |
| Cash, end of period | \$197,755 | \$492,775 | \$197,755 |
| Supplemental disclosure of cash flow information | | | |
| Cash paid during period for interest | \$49,396 | \$12,263 | |

See accompanying notes to consolidated financial statements

BULLFROG GOLD CORP.

Notes to Consolidated Financial Statements

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Bullfrog Gold Corp. (the “Company”) is a junior exploration company engaged in the acquisition and exploration of properties that may contain gold, silver and other metals in the United States. The Company’s target properties are those that have been the subject of historical exploration. The Company owns, controls or has acquired mineral rights on State lands, private lands and Federal patented and unpatented mining claims in the states of Arizona and Nevada for the purpose of exploration and potential development of gold, silver and other metals on a total of approximately 13,400 acres. The Company plans to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential.

The Company’s properties do not have any reserves. The Company plans to conduct exploration programs on these properties with the objective of ascertaining whether any of its properties contain economic concentrations of precious and base metals that are prospective for mining.

Basis of Presentation

The consolidated unaudited financial statements included in this Form 10-Q have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and with the instructions to Form 10-Q. Accordingly, these financial statements do not include all of the disclosures required by U.S. generally accepted accounting principles for complete financial statements. These consolidated unaudited interim financial statements should be read in conjunction with the audited financial statements for the fiscal year ended December 31, 2013 in our Annual Report on Form 10-K. The financial information furnished herein reflects all adjustments consisting of normal, recurring adjustments which, in the opinion of management, are necessary for a fair presentation of our financial position, the results of operations and cash flows for the periods presented. Operating results for the three months ended March 31, 2014 are not necessarily indicative of results for future quarters or periods in the fiscal year ending December 31, 2014.

Principles of Consolidation

The consolidated financial statements include the accounts of Bullfrog Gold Corp. and its wholly owned subsidiaries, Standard Gold Corp. (“Standard Gold”) a Nevada corporation and Rocky Mountain Minerals Corp. (“Rocky Mountain Minerals”) a Nevada corporation. All significant inter-entity balances and transactions have been eliminated in consolidation.

Going Concern and Management's Plans

The Company has incurred losses from operations since inception and has an accumulated deficit of approximately \$6,430,000 as of March 31, 2014. Additionally, the Company had a negative working capital of approximately \$2,196,000 at March 31, 2014. The Company's financial statements have been prepared on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's continuation as a going concern is dependent upon attaining profitable operations through achieving revenue growth.

The Company has no revenues and does not expect to have revenues in 2014. Should we be unable to continue as a going concern, we may be unable to realize the carrying value of our assets and to meet our obligations as they become due. To continue as a going concern, we are dependent on continued fund raising. However, we have no commitment from any party to provide additional capital and there is no assurance that such funding will be available when needed, or if available, that its terms will be favorable or acceptable to us. The Company is currently exploring various financing alternatives to refinance or repay the amount outstanding to RMB Australia Holdings Limited ("RMB"). To do so, the Company will have to raise additional funds from external sources. There can be no assurance that additional financing will be available at all or on acceptable terms. If additional financing is not available, we may have to substantially reduce or cease operations. Further, if the Company fails to restructure or refinance its RMB indebtedness or should any of RMB's indebtedness be accelerated, the Company will not have adequate liquidity to fund its operations, meet its obligations (including its debt payment obligations) and we may not be able to continue

as a going concern, and will likely be forced to surrender our ownership interest in the Newsboy Project and Bullfrog Project as part of the Facility.

Cash and Cash Equivalents and Concentration

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with a high credit quality financial institution. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2014, the Company's cash balance was approximately \$198,000. To reduce its risk associated with the failure of such financial institution, the Company will evaluate at least annually the rating of the financial institution in which it holds deposits.

Restricted Cash

Restricted cash is excluded from other cash. Restricted cash is maintained in connection with requirements in the RMB Facility. Additionally, a minimum balance of \$500,000 is required as part of the RMB Facility.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Mineral Property Acquisition and Exploration Costs

Mineral property acquisition and exploration costs are expensed as incurred until such time as economic reserves are quantified. To date, the Company has not established any proven or probable reserves on its mineral properties. Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all costs are being expensed. During the three months ended March 31, 2014 and 2013, the Company incurred exploration costs of approximately \$83,000 and \$446,000, respectively. Costs of property acquisitions are being capitalized.

Deferred Financing Fees

In conjunction with a Facility Agreement evidencing the Facility with RMB, the Company paid financing fees of approximately \$1,300,000 in cash and warrants in 2012. These fees were capitalized as deferred financing fees and will be amortized over the life of the Facility using the effective interest method. Amortization of deferred financing fees included in interest expense during both of the three months ended March 31, 2014 and 2013 was approximately \$163,000.

Exploration Stage Company

The Company complies with Accounting Standards Codification (“ASC”) 915-235-50 and Securities and Exchange Commission Act Guide 7 for its characterization of the Company as an exploration stage enterprise.

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair value:

Level 1 – Valuation based on quoted market prices in active markets for identical assets and liabilities.

Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.

Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management’s best estimate of what market participants would use as fair value.

The Company does not have any assets or liabilities measured using Level 1 or 2 inputs. The Company's Level 3 financial liabilities measured at fair value consisted of the warrant liability as of March 31, 2014 and December 31, 2013. See Note 3.

Fair Value of Financial Instruments

The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable, and other liabilities. The warrant liability, a long-term liability, is already recorded at fair value. The fair value of the Company's note payable is not practicable to calculate due to the unique terms of the note.

Income Taxes

Income taxes are accounted for under the asset and liability method in accordance with ASC 740, "Income Taxes". Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial carrying amounts of existing assets and liabilities and their respective tax bases as well as operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance to the extent that the recoverability of the asset is unlikely to be recognized.

The Company reports a liability, if any, for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in an income tax return. The Company has elected to classify interest and penalties related to unrecognized income tax benefits, if and when required, as part of income tax expense in the statement of operations. No liability has been recorded for uncertain income tax positions, or related interest or penalties as of March 31, 2014 or December 31, 2013. The periods ended December 31, 2013, 2012 and 2011 are open to examination by taxing authorities.

Long Lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Preferred Stock

The Company accounts for its preferred stock under the provisions of the ASC on *Distinguishing Liabilities from Equity*, which sets forth the standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This standard requires an issuer to classify a financial instrument that is within the scope of the standard as a liability if such financial instrument embodies an unconditional obligation to redeem the instrument at a specified date and/or upon an event certain to occur. The Company has determined that its preferred stock does not meet the criteria requiring liability classification as its obligation to redeem these instruments is not based on an event certain to occur. Future changes in the certainty of the Company's obligation to redeem these instruments could result in a change in classification.

Derivative Financial Instruments

The Company accounts for derivative instruments in accordance with Financial Accounting Standards Board ("FASB") ASC 815, *Derivatives and Hedging* ("ASC 815"), which requires additional disclosures about the Company's objectives and strategies for using derivative instruments, how the derivative instruments and related hedged items are accounted for, and how the derivative instruments and related hedging items affect the financial statements. The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risk. Terms of convertible debt and equity instruments are reviewed to determine whether or not they contain embedded derivative instruments that are required under ASC 815 to be accounted for separately from the host contract, and recorded on the balance sheet at fair value. The fair value of derivative liabilities, if any, is

required to be revalued at each reporting date, with corresponding changes in fair value recorded in current period operating results. Pursuant to ASC 815, an evaluation of specifically identified conditions is made to determine whether the fair value of warrants issued is required to be classified as equity or as a derivative liability.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). This ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

The estimated fair value of each stock option as of the date of grant was calculated using the Black-Scholes pricing model. The Company estimates the volatility of its common stock at the date of grant based on the volatility of a comparable peer company which is publicly traded. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules and post-vesting forfeitures. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future. The shares of common stock subject to the stock-based compensation plan shall consist of unissued shares, treasury shares or previously issued shares held by any subsidiary of the Company, and such number of shares of common stock are reserved for such purpose.

Net Loss per Common Share

Net losses were reported during the three months ended March 31, 2014 and 2013. As such, the Company excluded the following from computation as their effect would be anti-dilutive:

| | 3/31/14 | 3/31/13 |
|-----------------|------------|------------|
| Stock options | 4,460,000 | 4,060,000 |
| Warrants | 21,392,285 | 20,972,285 |
| Preferred stock | 400,000 | 2,692,100 |

Recent Accounting Pronouncements

There are several new accounting pronouncements issued by the FASB which are not yet effective. Management does not believe any of these accounting pronouncements will be applicable and therefore will not have a material impact on the Company's financial position or operating results.

Reclassifications

Certain items in these consolidated financial statements have been reclassified to conform to the current year's presentation.

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NOTE 2 - STOCKHOLDER'S EQUITY

February 2013 Private Placement

On February 4, 2013, the Company sold an aggregate of 1,800,060 February 2013 Units with gross proceeds to the Company of \$450,015 to February 2013 Investors pursuant to the February 2013 Subscription Agreement. The proceeds from this offering will be used primarily for a future investor relations campaign. Each February 2013 Unit was sold for a purchase price of \$0.25 per February 2013 Unit and consisted of: (i) one share of the Company's Common Stock and (ii) a four-year February 2013 Warrant to purchase one hundred (100%) percent of the number of shares of Common Stock purchased at an exercise price of \$0.35 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. In connection with the private placement, the Company issued an aggregate of 1,800,060 shares of its Common Stock. The shares were issued in reliance upon an exemption from registration provided by Rule 506 of Regulation D of the Securities Act of 1933 since no general solicitation or advertising was conducted by us in connection with the offering of any of the shares, all shares purchased in the offering were restricted in accordance with Rule 144 of the Securities Act and each of these shareholders were either accredited as defined in Rule 501 (a) of Regulation D promulgated under the Securities Act or sophisticated as defined in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act.

The February 2013 Warrants contains limitations on the holder's ability to exercise the Warrant in the event such exercise causes the holder to beneficially own in excess of 4.99% of the Company's issued and outstanding Common Stock, subject to a discretionary increase in such limitation by the holder to 9.99% upon 61 days' notice.

The Company paid placement agent fees of \$12,000 in cash to a placement agent in connection with the sale of the February 2013 Units. The placement agent also received the February 2013 Warrants to acquire 48,000 shares of the Company's Common Stock.

The Company entered into registration rights agreements with the February 2013 Investors, pursuant to which the Company agreed to file a "resale" registration statement with the SEC covering all shares of the Common Stock sold in the Offering and underlying any February 2013 Warrants, as well as Common Stock underlying the warrants issued to the placement agent(s) on or prior to April 4, 2013 (the "February 2013 Filing Date"). The Company agreed to maintain the effectiveness of the registration statement from the effective date until all securities have been sold or are otherwise able to be sold pursuant to Rule 144. The Company agreed to use its reasonable best efforts to have the registration statement declared effective within 60 days (the "Effectiveness Deadline"). The Company and holders of the majority of Registerable Securities (as defined in the February 2013 Registration Rights Agreement) agreed to amend the definition of "February 2013 Filing Date", as such term is defined in the February 2013 Registration Rights Agreement, such that "February 2013 Filing Date" shall mean the date that is 30 days after the Form S-1 filed September 24, 2012 (the "Registration Statement") and subsequent amendments has been declared effective. On May 29, 2013, the Company withdrew the Registration Statement filed with the SEC pertaining to the February 2013 Private Placement. At the time of this filing the units from the February 2013 Private Placement are Rule 144 eligible and therefore are no longer considered registerable securities. Accordingly, the Company has determined there is no

longer an obligation to file a registration statement for the February 2013 Private Placement units at this time.

June 2013 Private Placement

On June 21, 2013, the Company sold an aggregate of 100,000 June 2013 Units with gross proceeds to the Company of \$25,000 to the June 2013 Investor pursuant to the June 2013 Subscription Agreement. The proceeds from this offering will be used primarily for general corporate expenses. Each June 2013 Unit was sold for a purchase price of \$0.25 per June 2013 Unit and consisted of: (i) one share of the Company's Common Stock and (ii) a three-year June 2013 Warrant to purchase one hundred (100%) percent of the number of shares of Common Stock purchased at an exercise price of \$0.35 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The shares were issued in reliance upon an exemption from registration provided by Rule 506 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act") since no general solicitation or advertising was conducted by us in connection with the offering of any of the shares, all shares purchased in the offering were restricted in accordance with Rule 144 of the Securities Act and each of these shareholders were either accredited as defined in Rule 501 (a) of Regulation D promulgated under the Securities Act or sophisticated as defined in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act.

August 2013 Private Placement

On August 15, 2013, the Company sold an aggregate of 200,000 August 2013 Units with gross proceeds to the Company of \$50,000 to the August 2013 Investor pursuant to the August 2013 Subscription Agreement. The proceeds from this offering will be used primarily for general corporate expenses. Each August 2013 Unit was sold for a purchase price of \$0.25 per August 2013 Unit and consisted of: (i) one share of the Company's Common Stock and (ii) a three-year August 2013 Warrant to purchase one hundred (100%) percent of the number of shares of Common Stock purchased at an exercise price of \$0.35 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The shares were issued in reliance upon an exemption from registration provided by Rule 506 of Regulation D of the Securities Act since no general solicitation or advertising was conducted by us in connection with the offering of any of the shares, all shares purchased in the offering were restricted in accordance with Rule 144 of the Securities Act and each of these shareholders were either accredited as defined in Rule 501 (a) of Regulation D promulgated under the Securities Act or sophisticated as defined in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act. On December 2, 2013 the August 2013 Subscription Agreement and Warrant were amended to be consistent with the February 2013 Private Placement. This resulted in price protection provisions that will expire two years after the closing date for the shares and three years after the closing date for the Warrants.

October 2013 Private Placement

On October 9, 2013, the Company sold an aggregate of 40,000 October 2013 Units with gross proceeds to the Company of \$10,000 to the October 2013 Investor pursuant to the October 2013 Subscription Agreement. The proceeds from this offering will be used primarily for general corporate expenses. Each October 2013 Unit was sold for a purchase price of \$0.25 per October 2013 Unit and consisted of: (i) one share of the Company's Common Stock and (ii) a three-year October 2013 Warrant to purchase one hundred (100%) percent of the number of shares of Common Stock purchased at an exercise price of \$0.35 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The shares were issued in reliance upon an exemption from registration provided by Rule 506 of Regulation D of the Securities Act since no general solicitation or advertising was conducted by us in connection with the offering of any of the shares, all shares purchased in the offering were restricted in accordance with Rule 144 of the Securities Act and each of these shareholders were either accredited as defined in Rule 501 (a) of Regulation D promulgated under the Securities Act or sophisticated as defined in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act. On December 2, 2013 the August 2013 Subscription Agreement and Warrant were amended to be consistent with the February 2013 Private Placement. This resulted in price protection provisions that will expire two years after the closing date for the shares and three years after the closing date for the Warrants.

Recent Sales of Unregistered Securities

On January 8, 2013, the Company issued 250,000 shares of common stock, to MockingJay, Inc. for future investor relations and consulting services. The shares were issued in reliance on an exemption from the registration requirements of the Securities Act afforded by Section 4(2) thereof based on the lack of any general solicitation or advertising in connection with the sale of the shares; the investor is purchasing the shares for its own account and without a view to distribute them; and the Company's issuance of the shares with a restrictive legend.

On January 16, 2013, the Company issued 150,000 shares of common stock, to Verge Consulting for future investor relations and consulting services. The shares were issued in reliance on an exemption from the registration requirements of the Securities Act afforded by Section 4(2) thereof based on the lack of any general solicitation or advertising in connection with the sale of the shares; the investor is purchasing the shares for its own account and without a view to distribute them; and the Company's issuance of the shares with a restrictive legend.

On June 4, 2013, the Company issued Arden Larson 80,000 units ("Larson Units"), with each Larson Unit consisting of one (1) share of the Company's Common Stock and a warrant at a purchase price of Twenty Five Cents (\$0.25) per Larson Unit for a total of \$20,000. Each Larson Unit consists of: (i) one (1) share of the Company's Common Stock and (ii) a three (3) year warrant to purchase one share at a per share exercise price of \$0.35. The Larson Units were issued along with cash of \$10,000 in settlement of an option payment to purchase the Klondike Project.

Convertible Preferred Stock

In August 2011, the Board of Directors of the Company (the "Board of Directors") designated 5,000,000 shares of its Preferred Stock as Series A Preferred Stock. Each share of Series A Preferred Stock is convertible into one share of common stock at the option of the preferred holder. The Series A Preferred Stock is not entitled to receive

dividends and does not possess redemption rights. The Company is prohibited from effecting the conversion of the Series A Preferred Stock to the extent that, as a result of the conversion, the holder of such shares beneficially owns more than 4.99% (or, if this limitation is waived by the holder upon no less than 61 days prior notice to us, 9.99%) in the aggregate of the issued and outstanding shares of our common stock calculated immediately after giving effect to the issuance of shares of common stock upon conversion of the Series A Preferred Stock. The holders of the Company's Series A Preferred Stock are also entitled to certain liquidation preferences upon the liquidation, dissolution or winding up of the business of the Company.

As of March 31, 2014 all issued shares of Series A Preferred Stock has been converted into common stock.

In October 2012, the Board of Directors designated 5,000,000 shares of its Preferred Stock as Series B Preferred Stock. Each share of Series B Preferred Stock is convertible into one share of common stock at the option of the preferred holder. The Series B Preferred Stock is not entitled to receive dividends and does not possess redemption rights. The Company is prohibited from effecting the conversion of the Series B Preferred Stock to the extent that, as a result of the conversion, the holder of such shares beneficially owns more than 4.99% (or, if this limitation is waived by the holder upon no less than 61 days prior notice to us, 9.99%) in the aggregate of the issued and outstanding shares of our common stock calculated immediately after giving effect to the issuance of shares of common stock upon conversion of the Series B Preferred Stock. For a period of 24 months from the issue date the holder of Series B Preferred Stock is entitled to price protection as determined in the subscription agreement. The Company has evaluated this embedded lower price issuance feature in accordance with ASC 815 and determined that is clearly and closely related to the host contract and is therefore accounted for as an equity instrument. The holders of the Company's Series B Preferred Stock are also entitled to certain liquidation preferences upon the liquidation, dissolution or winding up of the business of the Company.

As of March 31, 2014 there have been 1,604,600 shares of Series B Preferred Stock converted into common stock, leaving a total of 400,000 shares of Series B Preferred Stock remaining.

Common Stock Options

On September 30, 2011, the Board of Directors and stockholders adopted the 2011 Stock Incentive Plan (the "2011 Plan"). Under the 2011 Plan, options may be granted which are intended to qualify as Incentive Stock Options under Section 422 of the Internal Revenue Code of 1986 (the "Code") or which are not intended to qualify as Incentive Stock Options thereunder. In addition, direct grants of stock or restricted stock may be awarded. The 2011 Plan has reserved 4,500,000 shares of common stock for issuance.

There were a total of 4,060,000 options granted in September 2011 (the "September 2011 Options"), these options issued are nonqualified stock options as amended on December 19, 2011. The modification to the option agreements increased the vesting period for only certain option agreements from one year to two years. The incremental cost associated with the differential in fair value at the modification date was not material. As of September 30, 2013 the option agreements are fully vested and all compensation expense related to these stock options has been recognized.

A summary of the September 2011 Options is presented below:

| September 2011 Options | Options | Strike Price | Term |
|------------------------|-----------|--------------|--------------|
| Officer | 1,250,000 | \$0.40 | 10 years (1) |
| Officer | 200,000 | \$0.40 | 10 years |
| Consultant | 50,000 | \$0.40 | 10 years |
| Consultant | 160,000 | \$0.40 | 10 years |
| Consultant | 600,000 | \$0.40 | 10 years |
| Consultant | 600,000 | \$0.40 | 10 years |
| Director | 1,200,000 | \$0.40 | 10 years (2) |
| TOTAL | 4,060,000 | | |

(1) Issued to David Beling, the Company's Chief Executive Officer and President.

(2) Issued to Alan Lindsay, the Company's Chairman of the Board of Directors.

There were a total of 400,000 options granted in December 2013 (the "December 2013 Options"), these options issued are nonqualified stock options and were 100% vested on grant date. The December 2013 Options were issued

in lieu of a year end cash bonus for work performed during 2013 and all compensation expense related to these stock options has been recognized.

A summary of the December 2013 Options is presented below:

| December 2013 Options | Options | Strike Price | Term |
|-----------------------|---------|--------------|--------------|
| Officer | 250,000 | \$0.15 | 10 years (1) |
| Officer | 100,000 | \$0.15 | 10 years |
| Consultant | 50,000 | \$0.15 | 10 years |
| TOTAL | 400,000 | | |

(1) Issued to David Beling, the Company's Chief Executive Officer and President.

The Black Scholes option pricing model was used to estimate the fair value of \$31,610 of the December 2013 Options with the following inputs:

| | | | | | |
|---------|----------------|---------|------------|-------------------------|------------|
| Options | Exercise Price | Term | Volatility | Risk Free Interest Rate | Fair Value |
| 400,000 | \$0.15 | 5 years | 69.3% | 1.68% | \$31,610 |

A summary of the stock options as of March 31, 2014 and changes during the period are presented below:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value |
|---------------------------------------|-------------------|---------------------------------|---|---------------------------|
| Balance at December 31, 2013 | 4,460,000 | \$ 0.38 | 7.95 | - |
| Granted | - | - | - | - |
| Exercised | - | - | - | - |
| Forfeited | - | - | - | - |
| Cancelled | - | - | - | - |
| Balance at March 31, 2014 | 4,460,000 | \$ 0.38 | 7.70 | - |
| Options exercisable at March 31, 2014 | 4,460,000 | \$ 0.38 | 7.70 | - |
| Options vested at March 31, 2014 | 4,460,000 | | | - |

The intrinsic value of each option share is the difference between the fair market value of the common stock and the exercise price of such option to the extent it is "in-the-money". Aggregate intrinsic value represents the value that would have been received by the holders of in-the-money options had they exercised their options on the last trading day of the reporting period and sold the underlying shares at the closing stock price on such day. The intrinsic value calculation is based on the \$0.09 closing stock price of the common stock on March 31, 2014. There were no options in-the-money on March 31, 2014 and therefore no intrinsic value.

NOTE 3 – DERIVATIVE FINANCIAL INSTRUMENTS

In applying current accounting standards to the financial instruments issued in the 2011 Private Placement, 2012 Private Placement, February 2013 Private Placement, June 2013 Private Placement, August 2013 Private Placement and October 2013 Private Placement, the Company first considered the classification of the Series A and Series B Preferred Stock under ASC 480 *Distinguishing Liabilities from Equity*, and the Warrants under ASC 815 *Derivatives and Hedging*. The Series A and Series B Preferred Stock is perpetual preferred stock without redemption or dividend provisions, contingent or otherwise. Further, the Series A and Series B Preferred Stock is convertible into a fixed number of shares of Common Stock with adjustments to the conversion price solely associated with equity restructuring events such a stock splits and recapitalization. Generally redemption provisions that provide for the mandatory payment of cash to the Investor to settle the contract or certain provisions that cause the number of linked shares of Common Stock to vary result in liability classification; and, in some instances, classification outside of stockholders' equity. There being no such provisions associated with the Series A or Series B Preferred Stock, it is classified as a component of stockholders' equity.

The warrants were also evaluated for purposes of classification. The warrants issued contain a feature that is not consistent with the concept of stockholders' equity. The exercise price of the warrants is subject to adjustment upon the issuance of common stock or common share linked contracts at prices below the contractual exercise prices. The 2011 Private Placement warrants were subject to price adjustment until October 1, 2012, therefore the 2011 Private Placement warrants have been reclassified to stockholders' equity as of October 1, 2012. The 2012 Private Placement and February 2013 Private Placement warrants price adjustment expires four years after the date of issuance, and the June 2013 Private Placement warrants price adjustment expires three years after the date of issuance. The August 2013 Private Placement and October 2013 Private Placement warrants were amended on December 2, 2013 and allows for a price adjustment that expires three years after the date of original issuance. Current accounting standards provide that such provisions are not consistent with the concept of stockholders' equity. As a result, all warrants with price adjustment features require classification in liability as derivative warrants. Derivative warrants are carried initially at fair value (up to the value of cash received) and subsequently at fair value with changes in fair value reflected in income.

| | Closing date of private placement | | | | | | Total warrant liability |
|--|-----------------------------------|----------|----------|----------|----------|----------|-------------------------------|
| | 11/19/12 | 12/17/12 | 02/04/13 | 06/21/13 | 08/15/13 | 10/09/13 | |
| Ending balance at December 31, 2013 | \$169,601 | \$61,796 | \$60,136 | \$2,298 | \$5,593 | \$1,196 | \$300,620 |
| Issuance of derivative warrants in private placement | — | — | — | — | — | — | — |
| Exercise or expiration | — | — | — | — | — | — | — |
| Change in fair value of warrant liability | (101,568) | (36,849) | (36,320) | (1,413) | (3,620) | (755) | (180,525) |
| Ending balance at March 31, 2014 | \$68,033 | \$24,947 | \$23,816 | \$885 | \$1,973 | \$441 | \$120,095 |

The derivative warrants were calculated using Black-Scholes valuation technique. Significant inputs into this technique are as follows:

| 2012 Private Placement | 12/31/2013 | 3/31/2014 |
|-----------------------------------|------------|-----------|
| Fair market value of common stock | \$ 0.14 | \$ 0.09 |
| Exercise price | \$ 0.35 | \$ 0.35 |
| Term (1) | (4) | (6) |
| Volatility range (2) | (5) | (7) |
| Risk-free rate (3) | 0.78 % | 0.90 % |

| February 2013 Private Placement | 12/31/2013 | 3/31/2014 |
|-----------------------------------|------------|------------|
| Fair market value of common stock | \$0.14 | \$0.09 |
| Exercise price | \$0.35 | \$0.35 |
| Term (1) | 3.11 Years | 2.86 Years |
| Volatility range (2) | 69.20 % | 71.52 % |
| Risk-free rate (3) | 0.78 % | 0.90 % |

| June 2013 Private Placement | 12/31/2013 | 3/31/2014 |
|-----------------------------------|------------|------------|
| Fair market value of common stock | \$0.14 | \$0.09 |
| Exercise price | \$0.35 | \$0.35 |
| Term (1) | 2.48 Years | 2.24 Years |
| Volatility range (2) | 71.10 % | 72.06 % |
| Risk-free rate (3) | 0.78 % | 0.90 % |

| August 2013 Private Placement | 12/31/2013 | 3/31/2014 |
|-----------------------------------|------------|------------|
| Fair market value of common stock | \$0.14 | \$0.09 |
| Exercise price | \$0.35 | \$0.35 |
| Term (1) | 2.63 Years | 2.38 Years |
| Volatility range (2) | 70.50 % | 72.10 % |
| Risk-free rate (3) | 0.78 % | 0.90 % |

| October 2013 Private Placement | 12/31/2013 | 3/31/2014 |
|-----------------------------------|------------|------------|
| Fair market value of common stock | \$0.14 | \$0.09 |
| Exercise price | \$0.35 | \$0.35 |
| Term (1) | 2.78 Years | 2.53 Years |
| Volatility range (2) | 70.40 % | 72.36 % |
| Risk-free rate (3) | 0.78 % | 0.90 % |

- (1) The term is the remaining years until expiration of warrants.
The Company does not have a trading market value upon which to base its forward-looking volatility.
- (2) Accordingly, the Company selected a peer company that provided a reasonable basis upon which to calculate volatility.
- (3) The risk-free rate used represents the yield on zero coupon US Government Securities with a period to maturity consistent with the interval described in (2), above.
- (4) The remaining term for the 2012 Private Placement with a November 19, 2012 closing date was 2.88 years, and the December 17, 2012 closing date was 2.96 years.
- (5) The volatility for the 2012 Private Placement with a November 19, 2012 closing date was 69.7%, and the December 17, 2012 closing date was 69.2%.
- (6) The remaining term for the 2012 Private Placement with a November 19, 2012 closing date was 2.64 years, and the December 17, 2012 closing date was 2.72 years.
- (7) The volatility for the 2012 Private Placement with a November 19, 2012 closing date was 73.3%, and the December 17, 2012 closing date was 72.7%.

Warrants contain limitations on exercise, including the limitation that the holders may not convert their warrants to the extent that upon exercise the holder, together with its affiliates, would own in excess of 4.99% of our outstanding shares of common stock (subject to an increase upon at least 61-days' notice by the subscriber to us, of up to 9.99%).

The second classification-related accounting consideration related to the possibility that the conversion option embedded in the Series A and Series B Preferred Stock may require classification outside of stockholders' equity. Generally, an embedded feature in a hybrid financial instrument (such as the Series A and Series B Preferred Stock) that both meets the definition of a derivative financial instrument and is not clearly and closely related to the host contract in term of risks would require bifurcation and accounting under derivative standards. The embedded conversion option is a feature that embodies risks of equity. The Company has concluded that the Series A and Series B Preferred Stock is a contract that affords solely equity risks.

NOTE 4 – NOTE PAYABLE

On December 10, 2012 (the “Closing Date”), the Company entered into the Facility with RMB, as the lender, in the amount of \$4.2 million. The loan proceeds from the Facility will be used to fund an agreed work program relating to the Newsboy gold project located in Arizona and for agreed general corporate purposes. Standard Gold the Company’s wholly owned subsidiary is the borrower under the Facility and the Company is the guarantor of Standard Gold’s obligations under the Facility. Standard Gold paid an arrangement fee of 7% of the Facility amount due upon the first draw down of the Facility. A total arrangement fee of \$294,000 was paid of which \$50,000 was paid May 2012 and the balance upon receipt of the first draw down on December 11, 2012, which with the first drawdown advance of approximately \$745,000 constituted approximately all of the available credit under the Facility at the time of the draw down. The Facility funds will be available to drawdown until March 31, 2014 with the final repayment date due 24 months after the Closing Date, which is December 10, 2014. Standard Gold has the option to prepay without penalty any portion of the Facility at any time subject to 30 day notice, any broken period costs and minimum prepayment amounts of \$500,000. The Facility bears interest at the rate of LIBOR plus 7% with interest payable quarterly in cash. Total cash received from RMB as of March 31, 2014 was \$2,900,000.

Collateral on the loan are the Bullfrog Project and Newsboy Project. The carrying value of the projects at March 31, 2014 was \$1,600,700.

In connection with the Facility, the Company issued 7,000,000 warrants to purchase shares of the Company’s Common Stock for \$0.35 per share to be exercisable for 36 months after the Closing Date, with the proceeds from the exercise of the warrants to be used to repay the Facility. The Company met all of the conditions precedent to complete the closing for the Facility.

In applying current accounting standards to the warrants issued in the Facility with RMB, the Company considered the warrants under ASC 815 *Derivatives and Hedging*. Under these standards the warrants would qualify as equity

The fair value of the warrants were calculated to be \$1,063,592 and are classified as deferred financing fees that will be amortized for 24 months from the Closing Date of the RMB Facility.

NOTE 5 - COMMITMENTSNewsboy Project

On September 28, 2011, Standard Gold and Southwest Exploration, Inc (“Southwest”) entered into an Option to Purchase and Royalty Agreement pursuant to which Southwest granted to Standard Gold, the sole and immediate working right and option to earn a One Hundred Percent (100%) interest in and to the Newsboy Project property free and clear of all charges encumbrances and claims in consideration for \$3,425,000. The unpaid balance due to Southwest on March 31, 2014 of \$1,975,000 is payable on the following schedule:

| Newsboy Project - Payment Date | Payment Amount |
|--------------------------------|----------------|
| July 1, 2014 | \$250,000 |
| January 1, 2015 | \$300,000 |
| July 1, 2015 | \$300,000 |
| January 1, 2016 | \$350,000 |
| July 1, 2016 | \$350,000 |
| January 1, 2017 | \$425,000 |

Upon the full payment of the balance of \$1,975,000, the option will be considered automatically exercised and the Company will have earned a 100% interest in and to the Newsboy Project property free and clear of all liens and encumbrances. Notwithstanding the foregoing, the Company is obligated to pay a Net Smelter Royalty payment equal to two percent (2%) of the proceeds from the sale or other disposition from any purchaser of any mineral derived from the ore mined from the Newsboy Project property. To retain the property, the Company must also pay the annual claim maintenance fees and file a Notice of Intent to Hold with the Bureau of Land Management and Maricopa County. The Company must also make annual payments for the lands leased from the State of Arizona. Should the Company choose not to maintain the working right and option to the property, the Company can forego future payments to Southwest without penalty. These payments have been recorded as increases to mineral property on the balance sheet.

Klondike Project

On June 11, 2012, the Company entered into an option agreement with Arden Larson to purchase a 100% interest in the Klondike Project (“Klondike”) that included 64 unpatented mining claims, to which the Company staked an additional 168 claims. Klondike is located in the Alpha Mining District about 40 miles north of Eureka, Nevada.

The remaining amount due to Mr. Larson of the original price of \$575,000 is payable on the following schedule:

| Klondike Project - Payment Date | Payment Amount |
|---------------------------------|----------------|
| June 11, 2014 | \$35,000 |
| June 11, 2015 | \$40,000 |
| June 11, 2016 | \$45,000 |

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| | |
|---------------|----------|
| June 11, 2017 | \$50,000 |
| June 11, 2018 | \$55,000 |
| June 11, 2019 | \$60,000 |
| June 11, 2020 | \$65,000 |
| June 11, 2021 | \$70,000 |
| June 11, 2022 | \$75,000 |

The Company has the option to buy-down the royalty component by making payments of \$500,000 per 0.25% of base net smelter return royalties for gold, silver and other products to Mr. Larson based on the following schedule:

| Product | Base net smelter return royalty | Average market price | Maximum buy-down net smelter return royalty |
|---------|---------------------------------|-------------------------------|---|
| GOLD | 1.00 | Less than \$1,200/troy oz. | 0.50 |
| | 1.50 | \$1,201 to \$1,600/troy oz. | 0.75 |
| | 2.00 | \$1,601 to \$2,000/troy oz. | 1.00 |
| | 2.50 | \$2,001 to \$2,400/troy oz. | 1.25 |
| | 3.00 | \$2,401 to \$2,800/troy oz. | 1.50 |
| | 3.50 | \$2,801 to \$3,200/troy oz. | 1.75 |
| | 4.00 | Greater than \$3,200/troy oz. | 2.00 |
| SILVER | 1.00 | Less than \$15/troy oz. | 0.50 |
| | 1.50 | \$15.01 to \$30/troy oz. | 0.75 |
| | 2.00 | \$30.01 to \$45/troy oz. | 1.00 |
| | 2.50 | \$45.01 to \$60/troy oz. | 1.25 |
| | 3.00 | \$60.01 to \$75/troy oz. | 1.50 |
| | 3.50 | \$75.01 to \$90/troy oz. | 1.75 |
| | 4.00 | Greater than \$90/troy oz. | 2.00 |
| OTHER | 2.00 | As determined by products | 1.00 |

In addition, the Company is committed to spend no less than \$850,000 for the benefit of the Klondike Project on the following schedule:

1. \$100,000 prior to June 11, 2013
2. An additional \$150,000 prior to June 11, 2014
3. An additional \$200,000 prior to June 11, 2015
4. An additional \$200,000 prior to June 11, 2016
5. An additional \$200,000 prior to June 11, 2017

Should the Company choose not to maintain the work commitment and option to the property the Company can forego future payments to Mr. Larson without penalty. As of June 11, 2013 the Company spent approximately \$86,000 on the Klondike Project, therefore in accordance with the option agreement the Company paid Mr. Larson half of the work commitment shortage.

NOTE 6 – SUBSEQUENT EVENTS

On April 25, 2014 (“Closing Date”), the Company entered into a Securities Purchase Agreement (“SPA”) to issue an unsecured 12.5% convertible promissory note (the “Note”) with NPX Metals, Inc (“NPX”), as the lender, in the amount of \$220,000. The Note proceeds will be used to fund the Klondike Project located in Nevada and for general corporate purposes. The Company will pay an arrangement fee to NPX in an amount equal to 10% of the Note and issued 220,000 warrants to NPX to purchase one full share at a price of \$0.35 within three years from the Closing Date. The Note principal and unpaid accrued interest will be due and payable 24 months from the Closing Date.

During the term of the Note, NPX may elect by giving five days to convert their Note and any accrued but unpaid interest thereon, into shares of the Company’s common shares at a conversion price equal to \$0.25 per common share. Additionally, for each common share purchased there will be a three year warrant to purchase hundred percent of the number of shares purchased at a per share exercise price of \$0.35.

The foregoing is not a complete summary of the terms of the SPA, and is qualified in its entirety by reference to the complete text of the SPA, the Convertible Promissory Note and the Form of Warrant attached as Exhibits 10.1, 10.2, 10.3, respectively, to the Current Report on Form 8-K filed April 29, 2014, which are hereby incorporated by reference.

ITEM 2 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

The following discussion and analysis is provided to increase the understanding of, and should be read in conjunction with, our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. Historical results and percentage relationships among any amounts in these financial statements are not necessarily indicative of trends in operating results for any future period. This Report contains “forward-looking statements”. The statements, which are not historical facts contained in this Report, including this Management’s discussion and analysis of financial condition and results of operation, and notes to our unaudited condensed consolidated financial statements, particularly those that utilize terminology such as “may” “will,” “should,” “expects,” “anticipates,” “estimates,” “believes,” or “plans” or comparable terminology are forward-looking statements. Such statements are based on currently available operating, financial and competitive information, and are subject to various risks and uncertainties. Future events and our actual results may differ materially from the results reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, limited ability to establish new strategic relationships, ability to sustain and manage growth, variability of operating results, our expansion and development of new projects, general economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to maintain and develop new projects, the potential liability with respect to actions taken by our existing and past employees, and other risks described herein and in our other filings with the Securities and Exchange Commission.

The safe harbor for forward-looking statements provided by Section 21E of the Securities Exchange Act of 1934 excludes issuers of “penny stock” (as defined under Rule 3a51-1 of the Securities Exchange Act of 1934). Our Common Stock currently falls within that definition.

All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Company History and Recent Events

Bullfrog Gold Corp., (“Bullfrog Gold” or, the “Company”) was incorporated under the laws of the State of Delaware on July 23, 2007 as Kopr Resources Corp. On July 19, 2011, Bullfrog Gold’s Board of Directors approved an Amended and Restated Certificate of Incorporation of the Company to authorize (i) the change of the name of the Company to “Bullfrog Gold Corp.” from “Kopr Resources Corp.” (ii) the increase in the authorized capital stock to 250,000,000 shares and (iii) the change in par value of the capital stock to \$0.0001 per share. The Company is in the exploration

stage of its resource business.

On March 31, 2014, we created a new wholly-owned subsidiary of the Company with the name of Rocky Mountain Minerals Corp. ("RMM"). RMM will be used to account for the exploration costs of Klondike.

On August 15, 2013, we sold an aggregate of 200,000 units with gross proceeds to the Company of \$50,000 to a certain accredited investor pursuant to a subscription agreement.

On June 21, 2013, we sold an aggregate of 100,000 units with gross proceeds to the Company of \$25,000 to a certain accredited investor pursuant to a subscription agreement.

On February 4, 2013, we sold an aggregate of 1,800,060 units with gross proceeds to the Company of \$450,015 to five accredited investors pursuant to a subscription agreement.

Company Overview

We are an exploration stage company engaged in the acquisition and exploration of properties that may contain gold and other mineralization primarily in the United States. Our target properties are those that have been the subject of historical exploration. We have acquired exploration permits on state lands and Federal patented and unpatented

mining claims in the states of Arizona and Nevada for the purpose of exploration and potential development of gold on a total of approximately 13,400 acres. We plan to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential. The Company has acquired three projects, as described below.

Newsboy Project

The Newsboy Project comprises approximately 7,160 acres of state, federal and patented lands located 45 miles northwest of Phoenix, Arizona. In June 2012 the Company determined that one of the state permits was not beneficial to the project and did not renew one of the four state permits, however in December 2012 the Company leased 38 acres of patented claims, which brought the total to approximately 4,958 acres and in March 2013 the Company recorded 160 mining claims with the US Bureau of Land Management and Maricopa County that were duly staked in January and February 2013 to increase the land holdings from 4,958 to approximately 7,400 acres. In July 2013 the Company abandoned six placer claims that were mainly covered by existing lode claims, thereby creating a current land position totaling approximately 7,160 acres. The closest towns, Wickenburg and Morristown, are located 10 miles and 3 miles respectively from the site and provide excellent infrastructure. Approximately 1.2 million ounces of gold and 1 million ounces of silver have been produced within 25 miles of the Newsboy Project from several historic mines, including the Vulture, Congress, Octave and Yarnell.

In addition to the main mineral zone drilled by predecessors, the Newsboy Project has eight relatively shallow priority drill targets and other secondary targets below existing drill depths. The Company and its independent consultants have developed a detailed exploration drilling program to confirm and expand mineralized zones and collect additional environmental and technical data. The Company has contracted an independent certified professional geologist, Clive Bailey, to prepare the permits and plans for the drill programs. Mr. Bailey also procures the drilling, sampling, assaying and surveying firms and personnel to complete the work and manages all field activities on the project. All deliverables to the Company by Mr. Bailey from the period September 2011 to date include proposed and actual drill hole locations, geology logs of drill cuttings, plan maps and cross-sections and data received from drillers, assayers and surveyors. Mr. Bailey was engaged as an independent contractor by the President of the Company, who has known Mr. Bailey for approximately 30 years. We have not requested Mr. Bailey to prepare and/or provide the Company with any reports as a certified professional geologist; however he does prepare the permits and plans for the drilling programs.

The following is a description of the first four phases of drilling the Company completed from late 2011 through the end of 2013:

PHASE 1:

One vertical hole drilled in the basement schist rocks discovered a vein that contained 50 feet (15.2 meters) of 0.084 gold ounces per short ton (opt) (2.9 grams/metric tonne) and 0.18 silver opt (6.1 g/mt), including 5 feet (1.5 m) of 0.39 gold opt (13.5 g/mt) and 0.39 silver opt (13.5 g/mt).

Five holes drilled within a 1992 proposed open pit mine area averaged 0.048 gold opt (1.6 g/mt), 1.2 silver opt (41.1 g/mt) and 64 feet in thickness (19.5 m). These results are comparable and confirmatory of adjacent old drill data.

Sixteen additional holes were drilled in the large area surrounding the proposed open pit limits. Nine of these holes contained mineralization above the cutoff grade of 0.015 gold opt (0.5 g/mt). A total of 24 drill holes were drilled in Phase 1.

PHASE 2:

During May and June 2012 the Company completed 24 additional holes as the second phase drilling program. Below are highlights from the second phase drilling program.

Two holes show the high grade mineralization discovered in phase 1 to be tabular with an apparent dip of 15°. As a result, the thickness and tonnage in this area may be an order of magnitude greater than that of a narrow, near vertical vein as initially thought.

The pit limit may be expanded accordingly with 20% higher grade gold than the 0.044 gold opt estimated in the 1992 pit.

The open area immediately east of these three holes is approximately 800 feet by 1,200 feet and will be drilled to expand this new mineralization and establish its true thickness.

PHASE 3:

During the first quarter of 2013, 12 holes were drilled in the Queen of Sheba area located 2.5 miles northwest of the Main Newsboy deposit, 12 holes were drilled in the main deposit area, one hole was drilled on State of Arizona lands under permit, and one hole drilled about ¾ mile north of the Queen of Sheba area.

A new angled hole in the Queen of Sheba area was drilled 20 feet north of a hole cored in 1995 and intersected 25 feet of 2.8 gold ounces per short ton (opt) starting at the surface, including a 5-foot interval that averaged 13.9 gold opt. Drill cuttings from this high grade interval have been examined and found to contain free gold in granular and wire forms about 40 mesh in size and within a matrix of quartz and specular hematite.

The 12 holes drilled in the Main deposit area were drilled to expand mineralization in the eastern higher grade zone discovered in 2012 and to further define the northeastern perimeter of the open pit proposed in 1992. Eight holes drilled during Phases 1 – 3 in this area contained continuous mineralization that averaged 39 feet in thickness with average grades of 0.054 gold opt and 0.55 silver opt.

PHASE 4:

Sixty-eight holes and 3,364 feet of drilling were completed in the Queen of Sheba exploration area and 18 holes and 864 feet of drilling were completed in the RUS exploration area during December 2013.

To date the Company has completed 160 holes in four phases of drilling during the period November 2011 through March 2014.

In June 2012 the Company purchased a substantial historic data base from Moneta Porcupine Mines, who owned the property from 1993 through 1995.

On December 11, 2012 the Company entered a lease agreement with Vulture View Mine, LLC (“Vulture View”) to lease two patents of approximately 38 acres. As a result the Company’s land position as of January 1, 2013 totals 4,958 acres. The Company paid \$20,000 on December 11, 2012 for the first two lease years and agreed to a work commitment of \$100,000 to explore the patents and surrounding area during the first lease year. The Company will pay Vulture View \$10,000 on the second anniversary and \$10,000 each year thereafter until termination of the lease.

Bullfrog Project

The Bullfrog Gold Project lies approximately 3 miles northwest of the town of Beatty and 116 miles northwest of Las Vegas, Nevada. Standard Gold acquired a 100% right, title and interest in and to approximately 1,650 acres of mineral claims and patents known as the “Bullfrog Project” subject to a 3% net smelter royalty. The Company

proposes to drill 22 holes during 2014 to test for potential mineralization that may extend from the Montgomery-Shoshone open pit mine onto the Company's adjacent property. The Company has engaged Mr. Chip Allender, certified professional geologist to prepare drilling plans and permit applications for the Bullfrog Project. Mr. Allender was engaged as an independent contractor by the President of the Company, who has known Mr. Allender for five years. We have not requested Mr. Allender to prepare and/or provide the Company with any reports as a certified professional geologist; however he does prepare the permits and plans for the drilling programs. The Company also engaged Mr. Joe Wilkins as a consultant on the Bullfrog Project.

Klondike Project

The Company acquired the option to purchase the Klondike Project in Nevada in June 2012. The Klondike Project is located in the Alpha Mining District about 40 miles north of Eureka, Nevada. The initial property included 64 unpatented mining claims, to which Bullfrog staked an additional 168 claims for a total of approximately 4,640 acres.

The Klondike Project covers mineralized structures 5 miles long and 1.5 miles wide along the west flank of the Sulfur Springs mountain range. The rocks within this corridor are intensely broken by numerous periods of faulting,

thereby providing a favorable environment for several sequences of hydrothermal solutions to form mineral deposits. These host rocks are mostly Devonian age sediments typical of most Carlin gold deposits.

At least two styles of mineral deposits exist on the Company's property:

The oldest is a silver-rich, lead-zinc event that appears to be related to a molybdenum porphyry system that is not exposed but indicated by geochemistry and alteration. In this regard, the Klondike claims lie 10 miles north of the Mt. Hope molybdenum mine which is currently under development as one of the world's largest molybdenum deposits. The Mt. Hope deposit has a halo of silver-zinc mineralization that is typically more than a thousand feet thick and above several thousand feet of molybdenum mineralization. A silver-rich copper event may also be related to this style of mineralization.

A later stage Carlin-style gold-arsenic-barite mineralizing event over-printed the earlier silver-zinc-molybdenum system. This event has wide-spread anomalous gold values with arsenic and associated calcite veining. Barite may be related to all events. A new gold discovery is currently being drilled by other companies 10 miles west of the Klondike and may be the continuation of the massive Cortez gold trend.

A total of 156 surface rock chip samples of the Klondike host rocks averaged 32 ppm silver, 1.3 % zinc, 0.8 % lead, 0.16 % copper and anomalous gold. These contents compare well with major silver-zinc deposits such as San Cristobal in Bolivia, Penasquito in Mexico and the new discovery of Cordero in Mexico, each of which may contain more than 100 million tonnes of ore. See Note 5 in the Notes to Financial Statements for additional details concerning the purchase transaction.

The Company also used Mr. Allender to evaluate acquisition of the Klondike Project and for developing its permit applications and drilling plans

Results of Operations***Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013***

| | Three Months Ended | |
|----------------------------------|--------------------|---------------|
| | 3/31/14 | 3/31/13 |
| Revenue | \$— | \$— |
| Operating expenses | | |
| General and administrative | 145,012 | 329,083 |
| Exploration costs | 82,904 | 446,242 |
| Marketing | 2,796 | 694,665 |
| Total operating expenses | 230,712 | 1,469,990 |
| Net operating loss | (230,712) | (1,469,990) |
| Other income | 15,500 | — |
| Interest expense | (212,845) | (175,712) |
| Revaluation of warrant liability | 180,525 | 524,821 |
| Net loss | \$(247,532) | \$(1,120,881) |

We are still in the exploration stage and have no revenues to date.

During the three months ended March 31, 2014 we had a net loss of \$247,532 compared to a net loss of \$1,120,881 for the three months ended March 31, 2013. The decrease of \$873,349 is due primarily to:

- The decrease of \$184,000 in the general and administrative expenses is due to approximately \$72,000 stock option compensation that was expensed in 2013 versus zero in 2014. See Note 2 in the Notes to the Consolidated Financial Statements for a complete discussion of the stock options issued. There was also a decrease in professional fees of approximately \$70,000. The expense in 2013 related to the 16 forms that were filed with SEC, such as 8K, S1 and 10Q amendments. Each of these forms increased our legal and filing fees.
- The drilling expense in 2013 was due to the phase 3 drilling program at the Newsboy Project. The majority of the phase 4 drilling program was completed by the end of December 2013, however there were still some consulting fees related to phase 4 incurred in 2014.
- Marketing expenses for the three months ended March 31, 2013 were approximately \$695,000 versus \$3,000 for the same period in 2014. On December 17, 2012, the Company entered into a consulting agreement (the "Consulting Agreement") with Antibes International Corp. ("Antibes") to provide management consulting, business advisory, shareholder information and public relations services to the Company. In connection with the Consulting Agreement, the Company paid Antibes \$500,000 from the proceeds of a private placement that was completed on December 17, 2012. On January 31, 2013, the Company amended the Consulting Agreement with Antibes to

reduce the aggregate cash compensation payable thereunder from \$1 million to \$900,000 and paid the remaining \$400,000 from the proceeds of the February 2013 Private Placement. The Consulting Agreement was being amortized through July 2013.

The Revaluation of Warrant Liability of \$180,525 for the three months ended March 31, 2014 versus \$524,821 for 4. the same period in 2013 resulted in a decrease of \$344,296. See Note 3 in the Notes to the Consolidated Financial Statements for a complete discussion and valuation of the warrant liability.

Liquidity and Capital Resources

As a result of the 2011 Private Placement of \$3,650,900 (which includes the conversion of debt owed by the Company in the aggregate amount of \$940,900 which was converted on a dollar for dollar basis into the 2011 Private Placement), we received net cash proceeds of \$2,710,000. Losses from operations have been incurred since inception and there is an accumulated deficit of approximately \$6,430,000 as of March 31, 2014. Continuation as a going concern is dependent upon raising additional funds and attaining profitable operations. As part of the 2012 Private Placement the following was received (i) on November 19, 2012, we sold an aggregate of 4,300,000 units with gross proceeds to the Company of \$1,075,000 to six accredited investors pursuant to a subscription agreement

and (ii) on December 17, 2012, we sold an aggregate of 2,000,000 units with gross proceeds to the Company of \$500,000 to three accredited investors pursuant to a subscription agreement.

In addition, on December 10, 2012, the Company entered into the Facility with RMB, as the lender, in the amount of \$4.2 million. The loan proceeds from the Facility will be used to fund an agreed work program relating to the Newsboy gold project located in Arizona and for agreed general corporate purposes. Standard Gold and the Company's wholly owned subsidiary is the borrower under the Facility and the Company is the guarantor of Standard Gold's obligations under the Facility. Standard Gold paid an arrangement fee of 7% of the Facility upon receiving the first draw down advanced under the Facility. A total of \$294,000 was paid of which \$50,000 was paid May 2012 and the balance upon receipt of the first draw down on December 11, 2012, which with the first drawdown advance of approximately \$745,000 constituted approximately all of the available credit under the Facility at the time of the draw down. The Company will be required to complete additional work as described herein in order to receive additional advances under the Facility. The Facility was available until March 31, 2014 with the final repayment date due 24 months after the Closing Date. Standard Gold has the option to prepay without penalty any portion of the Facility at any time subject to 30 day notice, any broken period costs and minimum prepayment amounts of \$500,000. The Facility bears interest at the rate of LIBOR plus 7% with interest payable quarterly in cash. In connection with the Facility, the Company issued 7,000,000 warrants to purchase shares of the Company's common stock for \$0.35 per share to be exercisable for 36 months after the Closing Date, with the proceeds from the exercise of the warrants to be used to repay the Facility. The Company met all of the conditions precedent to complete the closing for the Facility and was receiving funds from RMB as requested by the Company based on the agreed work program. The Company must deliver to RMB (i) financial reports no later than 90 days after the end of each financial year and 45 days after each quarter end, (ii) monthly reports no later than 21 days at the end of each month detailing the status of development of Newsboy, including actual to budget reconciliations,

(iii) any proposed changes to the Corporate and Newsboy budget, and (iv) a Proceeds Account (as defined in the Facility Agreement) report no later than 21 days after the end of each quarter summarizing deposits and withdrawals, the Company has provided the required reports to RMB as of the date of this filing.

The Company completed two phases of drilling in 2012, with a total of 48 drill holes and approximately 14,500 feet, and we completed drilling phase 3 in early March 2013 with a total of 26 drill holes and approximately 8,400 feet. Phase 4 drilling of 86 shallow holes was completed in December 2013. The Company has contracted an independent certified professional geologist, Clive Bailey, who has been contracted with the Company since September 2011. As of March 31, 2014 we have operating cash of approximately \$198,000 and have received funds from RMB of approximately \$2,900,000. As per the Facility the RMB draw down period expired on March 31, 2014, therefore we will not submit any additional draw down requests to RMB.

The Company did not utilize the full Facility amount from RMB and will need to raise additional funds to pay off the Facility amount when due, December 10, 2014. Since September 30, 2011, the Company has received gross equity proceeds of approximately \$5,300,000 and plans to continue to raise funds through private placements. Additionally, we still need financing to begin exploration efforts at the Bullfrog and Klondike projects.

On December 17, 2012, the Company entered into the Consulting Agreement with Antibes to provide management consulting, business advisory, shareholder information and public relations services to the Company. In connection with the Consulting Agreement, the Company paid Antibes \$500,000 from the proceeds of a private placement that was completed on December 17, 2012. On January 31, 2013, the Company amended the Consulting Agreement with Antibes to reduce the aggregate cash compensation payable thereunder from \$1 million to \$900,000 and paid the remaining \$400,000 from the proceeds of the February 2013 Private Placement.

On February 4, 2013, the Company completed the February 2013 Private Placement where we sold an aggregate of 1,800,060 units with gross proceeds to the Company of \$450,015 to five accredited investors pursuant to a subscription agreement. The proceeds from this offering will be used primarily for a future investor relations campaign. See Note 2 in the Notes to Consolidated Financial Statements for additional details concerning the February 2013 Private Placement.

On June 21, 2013, the Company completed the June 2013 Private Placement where we sold an aggregate of 100,000 units with gross proceeds to the Company of \$25,000 to an accredited investor pursuant to a subscription agreement.

The proceeds from this offering will be used primarily for general corporate purposes. See Note 2 in the Notes to Consolidated Financial Statements for additional details concerning the June 2013 Private Placement.

On August 15, 2013, the Company completed the August 2013 Private Placement where we sold an aggregate of 200,000 units with gross proceeds to the Company of \$50,000 to an accredited investor pursuant to a subscription agreement. The proceeds from this offering will be used primarily for general corporate purposes.

On October 9, 2013, the Company completed the October 2013 Private Placement where we sold an aggregate of 40,000 units with gross proceeds to the Company of \$10,000 to an accredited investor pursuant to a subscription agreement. The proceeds from this offering will be used primarily for general corporate purposes.

In addition to the continued exploration and commitments scheduled for the Newsboy and Bullfrog Projects, the Company must spend no less than \$850,000 for the benefit of the Klondike Project to keep that option in good standing per the following schedule of work commitments:

1. \$100,000 prior to June 11, 2013
2. An additional \$150,000 prior to June 11, 2014
3. An additional \$200,000 prior to June 11, 2015
4. An additional \$200,000 prior to June 11, 2016
5. An additional \$200,000 prior to June 11, 2017

As of June 11, 2013 the Company spent approximately \$86,000 on the Klondike Project, therefore in accordance with the option agreement the Company paid Mr. Larson half of the work commitment shortage. Notwithstanding the above, the Company may terminate the Newsboy and Klondike Projects at any time.

As previously stated, the Company obtained funding from RMB for certain agreed corporate expenses and Newsboy Project expenses. However, additional expenses will require funding for the entirety of the amount that we spend in 2014. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. The trading price of our common stock and a downturn in the U.S. equity and debt markets could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. Our current business plan for the next 18 months calls for approximately \$800,000 to explore the Bullfrog Project and approximately \$500,000 to explore the Klondike Project.

We have no revenues and do not expect to have revenues in 2014. The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. Should we be unable to continue as a going concern, we may be unable to realize the carrying value of our assets and to meet our obligations as they become due. To continue as a going concern, we are dependent on continued fund raising. However, we have no commitment from any party to provide additional capital and there is no assurance that such funding will be available when needed, or if available, that its terms will be favorable or acceptable to us. The Company is currently exploring various financing alternatives to refinance or repay the amount outstanding to RMB. To do so, the Company will have to raise additional funds from external sources. There can be no assurance that additional financing will be available at all or on acceptable terms. If additional financing is not available, we may have to substantially reduce or cease

operations. Further, if the Company fails to restructure or refinance its RMB indebtedness or should any of RMB's indebtedness be accelerated, the Company will not have adequate liquidity to fund its operations, meet its obligations (including its debt payment obligations) and we may not be able to continue as a going concern, and will likely be forced to surrender our ownership interest in the Newsboy Project and Bullfrog Project as part of the Facility.

Off Balance Sheet Arrangements

We do not engage in any activities involving variable interest entities or off-balance sheet arrangements.

Critical Accounting Policies and Use of Estimates

Stock based compensation is measured at grant date, based on the fair value of the award, and is recognized as an expense over the employee's requisite service period. We estimate the fair value of each stock option as of the date of grant using the Black-Scholes pricing model. The Company estimates the volatility of its common stock at the date of grant based on the volatility of a comparable peer company which is publicly traded. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules and post-vesting forfeitures. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future.

The Company accounts for derivative instruments in accordance with FASB ASC 815, *Derivatives and Hedging*, which requires additional disclosures about the Company's objectives and strategies for using derivative instruments, how the derivative instruments and related hedged items are accounted for, and how the derivative instruments and related hedging items affect the financial statements. The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risk. Terms of convertible debt and equity instruments are reviewed to determine whether or not they contain embedded derivative instruments that are required under ASC 815 to be accounted for separately from the host contract, and recorded on the balance sheet at fair value. The fair value of derivative liabilities, if any, is required to be revalued at each reporting date, with corresponding changes in fair value recorded in current period operating results. Pursuant to ASC 815, an evaluation of specifically identified conditions is made to determine whether the fair value of warrants issued is required to be classified as equity or as a derivative liability.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES AND MARKET RISK

N/A

ITEM 4 - CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of March 31, 2014 our management concluded its evaluation of the effectiveness of the design and operation of our disclosure controls and procedures.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Our management does not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the quarterly period ending March 31, 2014, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls

and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934. Based upon our evaluation regarding the three months ending March 31, 2014, our management, including our Chief Executive Officer, has concluded that its disclosure controls and procedures were effective.

Changes in Internal Controls

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II

OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

We know of no material, active or pending legal proceedings against the Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A - RISKS FACTORS

Not applicable

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None other than previously disclosed in Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - MINE SAFETY DISCLOSURES

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 – EXHIBITS

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| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 31 | Certification of Chief Executive Officer and Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002* |
| 32 | Certification of Chief Executive Officer and Chief Financial Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002* |
| 101.ins | XBRL Instance Document |
| 101.sch | XBRL Taxonomy Schema Document |
| 101.cal | XBRL Taxonomy Calculation Document |
| 101.def | XBRL Taxonomy Linkbase Document |
| 101.lab | XBRL Taxonomy Label Linkbase Document |
| 101.pre | XBRL Taxonomy Presentation Linkbase Document |

* Filed herein

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 29,
2014 **BULLFROG GOLD CORP.**

By: */s/ David Beling*

Name: David Beling

Title: President, Chief Executive Officer and Chief Financial Officer (Principal Executive Officer and Principal Financial and Accounting Officer)