

ENERGOLD DRILLING CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

Unaudited

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51 – 102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators **WE HEREBY GIVE NOTICE THAT** the interim financial statements which follow this notice have not been reviewed by an auditor.

Energold Drilling Corp.

Consolidated Balance Sheets

Canadian Dollars

Unaudited

Statement 1

ASSETS	June 30 2009	December 31 2008
Current		
Cash and cash equivalents	\$ 19,916,912	\$ 22,573,880
Restricted cash (Note 3)	2,125,570	2,168,425
Accounts receivable and prepaid expenses	9,042,195	9,456,032
Due from IMPACT Silver Corp. (Note 9c)	956,139	773,379
Income taxes receivable	542,743	409,963
Short-term investments	2,123,388	5,232
Inventories (Note 4)	21,342,027	20,312,588
Future income taxes	564,629	-
	56,613,603	55,699,499
Investment in IMPACT Silver Corp. (Note 5)	3,409,269	3,342,632
Resource Properties (Note 6)	1,357,964	1,437,934
Property, Plant and Equipment (Note 7)	7,758,356	7,978,696
Goodwill	1,710,000	1,710,000
Future Income Taxes	272,539	272,539
	\$ 71,121,731	\$ 70,441,300
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 3,263,058	\$ 3,886,228
Income taxes payable	410,163	408,199
Deferred revenue – current portion	198,525	80,031
Future income taxes	1,923,577	1,900,054
	5,795,323	6,274,512
Future Income Taxes	682,726	682,726
Deferred Revenue	484,390	507,297
	6,962,439	7,464,535
SHAREHOLDERS' EQUITY		
Share Capital (Note 8a)	41,035,907	41,035,907
Contributed Surplus (Note 8b)	906,261	906,261
Accumulated Other Comprehensive Income (Loss) (Note 8d)	981,969	(12,898)
Retained Earnings (Statement 2)	21,235,155	21,047,495
	64,159,292	62,976,765
	\$ 71,121,731	\$ 70,441,300

Commitments (Note 10)

ON BEHALF OF THE BOARD:

"F.W. Davidson" _____, Director

"H.W. Sellmer" _____, Director

Energold Drilling Corp.

Statement 2

Consolidated Statements of Income and Retained Earnings For the Three and Six Months Ended June 30

Canadian Dollars

Unaudited

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Revenue from drilling contracts	\$ 6,262,099	\$ 11,398,596	\$ 10,112,603	\$ 20,023,493
Direct drilling costs	3,963,026	6,605,796	6,955,935	11,836,445
	2,299,073	4,792,800	3,156,668	8,187,048
Indirect and administrative expenses				
Accounting, audit and legal	180,537	175,991	343,606	261,284
Amortization	331,536	212,470	651,315	414,228
Bad debt (recovery) expense	(608,043)	225,000	(859,178)	225,000
Business development investigations	-	170,450	-	667,803
Investor relations, promotion and travel	94,909	126,892	201,266	194,342
Management fees and consulting	125,122	173,621	202,266	220,413
Office, rent, insurance and sundry	266,454	234,484	517,263	433,777
Office salaries and services	552,464	518,963	1,102,465	882,791
	942,979	1,837,871	2,159,003	3,299,638
Income before the following	1,356,094	2,954,929	997,665	4,887,410
Other income (expenses)				
Dilution gain on investment in IMPACT Silver Corp. – (Note 4)	1,771	37,563	30,936	46,186
Foreign exchange (loss) gain	(1,459,897)	33,285	(729,404)	568,305
Gain (loss) on disposal of assets	-	(4,075)	2,088	(4,075)
Interest income	8,399	140,091	9,757	263,654
Equity increase (reduction) in IMPACT Silver Corp. – (Note 4)	54,046	18,859	35,701	(29,512)
Other income	3,221	154,608	6,271	162,898
	(1,392,460)	380,331	(644,651)	1,007,456
(Loss) Income before taxes	(36,366)	3,455,539	353,014	6,085,655
Current and other income taxes	(450,004)	(155,916)	(736,193)	(946,262)
Future income taxes	271,530	(809,396)	570,839	(809,396)
Net (loss) income	(214,840)	2,369,948	187,660	4,139,208
Retained earnings – Beginning of period	21,449,995	12,132,618	21,047,495	10,363,358
Retained earnings - End of period	\$ 21,235,155	\$ 14,502,566	\$ 21,235,155	\$ 14,502,566
(Loss) Earnings per share - Basic	\$ (0.01)	\$ 0.07	\$ 0.01	\$ 0.13
(Loss) Earnings per share - Diluted	\$ (0.01)	\$ 0.07	\$ 0.01	\$ 0.13
Weighted average number of shares outstanding - Basic	34,128,048	33,077,455	34,128,048	32,362,846
Weighted average number of shares outstanding - Diluted	34,128,048	33,600,264	34,202,593	32,876,766

- The accompanying notes form an integral part of these unaudited consolidated financial statements -

Energold Drilling Corp.

Statement 3

Consolidated Statements of Comprehensive Income For the Three and Six Months Ended June 30

Canadian Dollars
Unaudited

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Net (loss) income (Statement 2)	\$ (214,840)	\$ 2,369,948	\$ 187,660	\$ 4,139,208
Other comprehensive income				
Unrealized gain (loss) on available-for-sale short-term investments (net of taxes)	861,802	(5,075)	994,867	(29,157)
Comprehensive income	\$ 646,962	\$ 2,364,873	\$ 1,182,527	\$ 4,110,051

- The accompanying notes form an integral part of these unaudited consolidated financial statements -

Energold Drilling Corp.

Statement 4

Consolidated Statements of Cash Flows For the Three and Six Months Ended June 30

Canadian Dollars
Unaudited

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Operating Activities				
Net (loss) income (<i>Statement 2</i>)	\$ (214,840)	\$ 2,369,948	\$ 187,660	\$ 4,139,208
Items not affecting cash				
Amortization	331,536	212,470	651,315	414,228
Bad debt recovery	(608,043)	225,000	(859,178)	225,000
Dilution gain on investment in IMPACT Silver Corp.	(1,771)	(37,563)	(30,936)	(46,186)
Equity increase in IMPACT Silver Corp.	(54,046)	(18,859)	(35,701)	29,512
Future income taxes	(271,530)	809,396	(570,839)	809,396
Gain on disposal of assets	-	4,075	(2,088)	4,075
Unrealized loss (gain) on foreign exchange	1,497,288	10,389	796,961	(495,239)
Deferred revenue	(40,942)	(40,264)	(22,907)	(60,390)
Changes in non cash working capital (<i>Note 11</i>)	(2,070,470)	(8,663,201)	(1,030,034)	(10,978,202)
	(1,432,818)	(5,128,609)	(915,747)	(5,958,598)
Investing Activities				
Investment in IMPACT Silver Corp.	-	(43,543)	-	(43,543)
Proceeds on sale of assets	-	791	24,867	791
Purchase of property, plant and equipment	(391,859)	(1,180,663)	(453,754)	(2,358,809)
Purchase of short-term investments	(100,000)	-	(950,000)	-
Resource property (costs) recoveries	(3,948)	39,218	79,970	60,977
Restricted cash	(39,011)	9,397	42,855	(1,294)
	(534,818)	(1,174,800)	(1,256,062)	(2,341,878)
Financing Activities				
Share capital issued	-	6,169,943	-	7,698,818
	-	6,169,943	-	7,698,818
Effect of exchange rate changes on cash and cash equivalents	(982,617)	(118,691)	(485,159)	264,785
Net decrease in cash and cash equivalents	(2,950,253)	(252,157)	(2,656,968)	(336,873)
Cash and cash equivalents – Beginning of period	22,867,165	20,672,794	22,573,880	20,757,510
Cash and cash equivalents – End of period	\$ 19,916,912	\$ 20,420,637	\$ 19,916,912	\$ 20,420,637

Supplementary cash flow information (*Note 11*)

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

June 30, 2009

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1. Basis of Presentation

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles "GAAP" and follow the same accounting policies and methods of their application as the most recent audited annual consolidated financial statements, except as described in Note 2. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements as at December 31, 2008, as they do not contain all disclosures required by GAAP for annual financial statements. Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.

2. Changes in Accounting Policies

Adoption of New Accounting Policies

Effective January 1, 2009, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, *Goodwill and Intangible Assets*. This section replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets*, and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of various pre-production and start-up costs and requires that these costs be expensed as incurred, with the concurrent withdrawal of CICA Emerging Issues Committee Abstract 27. The adoption of Section 3064 did not result in a material impact on the Company's consolidated financial statements.

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs." The EIC provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for our fiscal year beginning January 1, 2009. The adoption of EIC-174 did not result in a material impact on the Company's consolidated financial statements.

Recent Accounting Pronouncements Issued But Not Yet Implemented

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

3. Restricted Cash

Restricted cash represents funds held at:

	June 30 2009	December 31 2008
Funds held in trust pending investment in third party initial public offering – (Note 6d)	\$ 2,000,000	\$ 2,000,000
Funds held in trust	34,890	-
Peruvian government tax withholdings	90,680	168,425
	\$ 2,125,570	\$ 2,168,425

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

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4. Inventories

The following table details the change in inventories during the six months ended June 30:

	2009		2008	
Opening inventories	\$	20,312,588	\$	8,713,404
Purchases		3,784,613		10,016,710
Inventories expensed during the period		(2,755,174)		(4,284,712)
Closing inventories	\$	21,342,027	\$	14,445,402

5. Investment in IMPACT Silver Corp. (IMPACT)

At June 30, 2009 the Company owned 6,650,001 (December 31, 2008 - 6,650,001) shares of IMPACT Silver Corp. The Company's interest in IMPACT decreased from 13.85% to 13.80% during the six months ended June 30, 2009. The Company, through mutual management at the executive level and its shareholding and directorship in IMPACT, exercises significant influence over that company. As a result, the investment in IMPACT is accounted for using the equity method. The dilution gain represents the fair value of the Company's share of the consideration paid by the new investors in IMPACT in excess of the carrying value of the Company's investment in IMPACT. Equity has been reduced by the elimination of 100% of the net profits realized on drilling services provided to IMPACT. Details of the investment in IMPACT are as follows:

Balance – December 31, 2007		3,367,340
Equity income for the period		91,728
Reversal of profits on intercompany drilling revenues		(201,631)
Dilution gain		41,652
Purchase of shares		43,543
Balance – December 31, 2008	\$	3,342,632
Equity income for the period		35,701
Dilution gain		30,936
Balance – June 30, 2009	\$	3,409,269

Based upon period end TSX.V closing market prices of \$0.64 and \$0.43 per share, this investment has a quoted market value of \$4,256,000 at June 30, 2009 and \$2,859,500 at December 31, 2008.

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

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6. Resource Properties

a) Details are as follows:

i) At June 30, 2009:

	Acquisition Costs	Deferred Exploration (net of recoveries)	Sale of Resource Properties	Accumulated Write-off	June 30 2009
Dominican Republic Concessions					
Actividades Mineras, S.A. ("AMSA")	\$ 142,640	\$ 179,781	\$ -	\$ -	\$ 322,421
Casa Real, S.A. ("Casa")	302,694	619,496	-	-	922,190
Energold Drilling Dominicana, S.A. ("EDD")	1,265,275	2,275,953	(684,074)	(2,743,801)	113,353
	\$ 1,710,609	\$ 3,075,230	\$ (684,074)	\$ (2,743,801)	\$ 1,357,964

ii) At December 31, 2008:

	Acquisition Costs	Deferred Exploration (net of recoveries)	Sale of Resource Properties	Accumulated Write-off	December 31 2008
Dominican Republic Concessions					
AMSA	\$ 142,640	\$ 176,826	\$ -	\$ -	\$ 319,466
Casa	302,694	612,821	-	-	915,515
EDD	1,265,275	2,365,553	(684,074)	(2,743,801)	202,953
	\$ 1,710,609	\$ 3,155,200	\$ (684,074)	\$ (2,743,801)	\$ 1,437,934

b) AMSA

By agreement dated July 25, 1996 and subsequently amended, the Company acquired the right from MJD Agency Ltd. to purchase a 40% interest in the Dominican Republic company, AMSA for an exploration work commitment of \$300,000 which has been completed. The Company has the right to purchase another 20% for an additional \$300,000 work commitment to be completed by July 25, 2011. All costs incurred to date with regard to the purchase of AMSA have been recorded as resource property costs. This agreement is subject to the 1% net smelter royalty.

c) Option Agreements – Dominican Republic

In May 2006, the Company entered into an option agreement with a third party, giving that party the right to acquire up to 100% interest in any nickel laterite deposits within four mineral concessions, Elsa 1 (Casa), Loma Bombara (AMSA), Loma Cambronal (AMSA) and La Parcela (EDD). The third party may earn an initial 75% interest by completing a US\$900,000 work program and making payments of US\$50,000 per year for three years (US\$100,000 paid). The third party has the right to purchase the Company's remaining 25% interest for cash consideration of US\$500,000, thus converting its interest into a 2% smelter return which can be halved anytime in consideration of an amount of US\$1,000,000. Payments may be made in cash or in shares. During the year ended December 31, 2008 the third party was notified that based on the receipt and review of a work progress report, it had not complied with the terms of the agreement and that the agreement was no longer effective.

In November 2007, the Company entered into an option agreement with a third party on the Majagual (EDD) concession in the Dominican Republic. The third party paid \$25,000 and issued 100,000 shares subsequent to signing the agreement. A further \$75,000 was paid and 100,000 shares were issued on the first anniversary. The third party is required to pay \$50,000 and issue 100,000 shares on the second through fourth anniversaries. In addition, the third party must spend \$500,000 on the property over a period of four years.

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

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6. Resource Properties – continued

d) Purchase Agreement – Dominican Republic

The Company entered into a binding letter of agreement, effective June 29, 2007 and amended December 21, 2007 and June 30, 2008, with a Canadian controlled private corporation (“CCPC”) to transfer all of its rights and obligations in the La Parcela Concession, located in the Dominican Republic, in exchange for \$2.0 million Canadian. The Company in turn agreed to invest in an initial public offering (“IPO”) to be undertaken by that CCPC. The \$2.0 million has been received and recorded against the carrying cost of the property with the remaining amount of \$1,315,926 recorded as gain on sale of assets in 2007. The funds have been placed in trust for the benefit of the Company pending completion of the IPO. The Company has entered into an arrangement with the CCPC to further extend the trust arrangement pending an improvement in overall equity market conditions or alternative arrangements being agreed between the parties.

7. Property, Plant and Equipment

	June 30 2009			December 31 2008		
	Cost \$	Accumulated amortization \$	Net Book Value \$	Cost \$	Accumulated amortization \$	Net Book Value \$
Drilling Equipment	10,234,871	3,230,896	7,003,975	9,985,881	2,654,342	7,331,539
Exploration Equipment	48,294	45,132	3,162	48,294	45,058	3,236
Vehicles	680,837	188,198	492,639	577,701	150,945	426,756
Office Furniture and Equipment	610,918	352,338	258,580	536,765	319,600	217,165
	11,574,920	3,816,564	7,758,356	11,148,641	3,169,945	7,978,696

8. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
Unlimited common shares without par value		
Issued and outstanding:		
Balance – December 31, 2007	31,299,452	31,880,253
Warrants exercised	2,657,200	7,573,021
Fair value assigned to warrants exercised	-	944,603
Stock options exercised	21,500	25,800
Fair value assigned to options exercised	-	11,819
Shares issued for property, plant and equipment	126,367	500,413
Shares issued to a director in relation to a private placement	23,529	99,998
Balance – December 31, 2008 and June 30, 2009	34,128,048	\$ 41,035,907

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

June 30, 2009

Canadian Dollars

Unaudited

8. Share Capital - continued

b) Contributed Surplus

Balance – December 31, 2007	\$	832,461
Fair value of stock options exercised		(11,819)
Value assigned to expired warrants		85,619
Balance – December 31, 2008 and June 30, 2009	\$	906,261

c) Warrants

	Number	Amount
Balance December 31, 2007	2,898,050	1,030,222
Warrants exercised	(2,657,200)	(944,603)
Warrants expired	(240,850)	(85,619)
Balance December 31, 2008 and June 30, 2009	-	\$ -

d) Accumulated Other Comprehensive Income (Loss)

Balance – December 31, 2007	\$	41,948
Unrealized losses on available-for-sale short-term investments		(54,846)
Balance – December 31, 2008	\$	(12,898)
Unrealized gains on available-for-sale short-term investments		994,867
Balance – June 30, 2009	\$	981,969

e) Stock Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Under the stock option plan 4,591,070 options have been authorized for issuance, of which 713,500 have been allocated at June 30, 2009. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant. The directors, subject to the policies of the TSX Venture Exchange, may determine and impose terms upon how each grant of options shall become vested.

A summary of the Company's stock option plan at June 30, 2009 and the changes for the periods ended on these dates is as follows:

	Number	Weighted Average Exercise Price
At December 31, 2007	735,000	\$1.20
Granted	-	-
Exercised	(21,500)	\$1.20
At December 31, 2008 and June 30, 2009	713,500	\$1.20

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

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8. Share Capital - continued

The following table summarizes information about the stock options outstanding at June 30, 2009:

Exercise Price Per Share	Expiry Date	Options Outstanding	Options Exercisable
\$1.20	May 3, 2010	713,500	713,500

The fair value of stock options used to calculate compensation for employees and consultants is estimated using the Black-Scholes Option Pricing Model.

The total fair value of stock-based compensation expense on stock options granted to employees and consultants of the Company for the six months ended June 30, 2009 is \$nil (June 30, 2008 - \$nil).

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

9. Related Party Transactions

Related party transactions are recorded at the exchange amount which is the amount of consideration paid or received as agreed by the parties. Related party transactions are as follows:

- During the six months ended June 30, 2009, the Company had an employment contract with one director and officer for fees of \$25,000 per month. During the six months ended June 30, 2009, fees, salary and cash bonus in the amount of \$150,000 (June 30, 2008 - \$205,000) were accrued or paid to this director and officer. In addition fees of \$74,250 (June 30, 2008 - \$69,282) were paid to another officer of the Company. Salary of \$81,049 (June 30, 2008 - \$65,000) was accrued or paid to individuals related to a director. During the six months ended June 30, 2009, the Company paid directors fees in the amount of \$96,600 and accrued directors fees of \$66,733.
- During the six months ended June 30, 2009, legal fees in the amount of \$102,605 (June 30, 2008 - \$324,945) were accrued or paid to a firm related to a director.
- During the six months ended June 30, 2009, fees in the amount of \$1,241,921 (June 30, 2008 - \$1,153,286) were charged to IMPACT for contract drilling services performed in Mexico. At June 30, 2009, \$956,139 (December 31, 2008 - \$773,379) was due from IMPACT for contract drilling, exploration and administrative services provided by the Company.

10. Commitments

- The Company has signed a lease for office premises which commenced June 1, 2007 and ends May 31, 2010. Lease obligations, net of operating costs, are \$112,185 per year during this period.
 - In May 2008, the Company signed a lease for warehouse premises which commenced August 1, 2008 and ends July 31, 2011. Lease obligations, net of operating costs, are \$43,009 per year for the first year, \$44,058 per year for the second year, and \$46,156 per year for the third year.
 - In July 2008, the Company signed a lease for office premises which commenced July 15, 2008 and ends May 31, 2010. Lease obligations, net of operating costs, are \$130,200 per year during this period.
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Energold Drilling Corp.

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11. Additional Information to the Statements of Cash Flows

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Changes in non-cash working capital:				
Accounts receivable and prepaid expenses	\$ (1,394,546)	\$ (5,527,907)	\$ 922,032	\$ (6,233,439)
Income taxes receivable	(40,550)	-	(150,187)	-
Due from IMPACT Silver Corp.	(6,413)	(402,065)	(189,146)	(345,713)
Inventories	(702,697)	(3,320,619)	(1,029,439)	(5,731,998)
Accounts payable and accrued liabilities	386,971	1,490,661	(628,361)	1,987,635
Income taxes payable	34,835	(1,012,821)	(88,277)	(493,734)
Deferred revenue	(340,239)	106,119	140,099	(122,489)
Future income taxes	(7,831)	3,431	(6,755)	(38,464)
	<u>\$ (2,070,470)</u>	<u>\$ (8,663,201)</u>	<u>(1,030,034)</u>	<u>(10,978,202)</u>
Income taxes paid:	\$ 445,584	\$ 1,660,950	\$ 896,168	\$ 1,999,114

12. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide an adequate return to shareholders, to meet external capital requirements on credit facilities and to support any growth plans.

In the management of its capital, the Company includes its cash and cash equivalent balances. The Company monitors capital based on the debt to debt-plus-equity ratio. Debt is total debt shown on the balance sheet, less cash and cash equivalents. Debt-plus-equity is calculated as debt shown on the balance sheet, plus total shareholders' equity which includes accumulated other comprehensive income (loss), share capital, contributed surplus and retained earnings. At June 30, 2009 the Company had no debt.

The Company's policy is to keep its debt to debt-plus-equity ratio at a manageable level consistent with the current business cycle and the business opportunities outlook foreseen by the Company. As a general guideline, the Company's policy will be to keep its debt to debt-plus-equity ratio to a minimal level, except in unusual circumstances such as a major acquisition. Currently the Company has no debt and is in full compliance with its capital risk management policies. The Company's Board of Director's approves management's annual capital expenditures plans and reviews and approves any material debt borrowing plans proposed by the Company's management.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient cash and cash equivalents to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Energold Drilling Corp.

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13. Financial Instruments

Financial Assets and Liabilities

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, short-term investments and accounts payable and accrued liabilities. For cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued liabilities, carrying value is considered to be fair value due to the short-term nature of these instruments. The fair value of short-term investments represents the market value of quoted investments.

Financial Instrument Risk Exposure

The Company's financial instruments are exposed to a number of financial and market risks including credit, liquidity, currency and interest rate risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents, restricted cash, accounts receivable and short-term investments. The Company deposits its cash and cash equivalents with high credit quality financial institutions as determined by ratings agencies, with the majority deposited with a Canadian Tier 1 Bank. The Company provides credit to its customers in the normal course of its operations. The Company diversifies its credit risk by dealing with a large number of customers in various countries.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents, restricted cash, accounts receivable and short-term investments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity by maintaining cash and cash equivalent balances available to meet its anticipated operational needs. The Company has not been required to establish committed credit facilities but will do so as necessary. Liquidity requirements are managed based on expected cash flow to ensure that there is adequate capital to meet short-term and long-term obligations. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its growth plans. At June 30, 2009 the Company's accounts payable and accrued liabilities were \$3.3 million, all of which fall due for payment within twelve months of the balance sheet date. The Company has minimal long-term commitments (Note 10).

Currency Risk

The Company operates on an international basis on five continents and therefore, currency risk exposures arise from transactions denominated in foreign currencies. The majority of its international sales contracts are denominated in U.S. dollars. Thus its currency risk arises primarily with respect to the U.S. dollar. However, the Company also incurs operating costs in local currencies in various countries in which it carries on active business operations. The Company has elected not to actively manage our currency risk at this time.

At June 30, 2009 the Company is exposed to currency risk through cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities held in U.S. dollars and Mexican pesos. Based on these foreign currency exposures at June 30, 2009, a 5% depreciation or appreciation of all the above currencies against the Canadian dollar would result in an approximate \$0.7 million decrease or increase in the Company's net income.

Interest Rate Risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents. The Company did not have any borrowings outstanding at June 30, 2009.

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

June 30, 2009

Canadian Dollars

Unaudited

14. Segmented Information

The Company has four reportable segments based on geographic area: Mexico, the Caribbean, and Central America; South America; Africa, Asia and Other; and Canada (Corporate).

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Revenue by geographic area				
Mexico, Caribbean, Central America	\$ 3,507,689	\$ 5,866,506	\$ 5,649,760	\$ 10,583,396
South America	1,681,214	4,320,614	3,294,120	2,144,699
Africa, Asia and Other	1,073,196	1,211,476	1,168,723	7,295,398
	\$ 6,262,099	\$ 11,398,596	\$ 10,112,603	\$ 20,023,493
Net (loss) income by geographic area				
Mexico, Caribbean, Central America	\$ 1,101,821	\$ 2,395,994	\$ 1,657,554	\$ 3,831,623
South America	64,793	1,579,446	238,905	2,539,656
Africa, Asia and Other	426,238	414,590	88,333	872,731
Canada	(1,807,692)	(2,020,082)	(1,797,132)	(3,104,802)
	\$ (214,840)	\$ 2,369,948	\$ 187,660	\$ 4,139,208
Amortization by geographic area				
Mexico, Caribbean, Central America	\$ 125,768	\$ 91,595	\$ 242,348	\$ 166,278
South America	74,096	54,351	137,698	92,441
Africa, Asia and Other	57,991	-	115,048	-
Canada	73,681	66,524	156,221	155,509
	\$ 331,536	\$ 212,470	\$ 651,315	\$ 414,228
Property, plant and equipment additions by geographic area				
Mexico, Caribbean, Central America	\$ 184,792	\$ 502,312	\$ 221,669	\$ 1,140,362
South America	388,365	105,883	389,588	261,269
Africa, Asia and Other	63,454	-	735,831	-
Canada	(244,752)	1,090,226	(893,334)	1,474,935
	\$ 391,859	\$ 1,698,421	\$ 453,754	\$ 2,876,566
Revenue by industry				
Drilling	\$ 6,262,099	\$ 11,398,596	\$ 10,112,603	\$ 20,023,493
Net income (loss) by industry				
Drilling	\$ (241,512)	\$ 2,316,881	\$ 123,983	\$ 4,126,489
Exploration and mining	26,672	53,067	63,677	12,719
	\$ (214,840)	\$ 2,369,948	\$ 187,660	\$ 4,139,208

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

June 30, 2009

Canadian Dollars

Unaudited

14. Segmented Information - continued

	June 30 2009	December 31 2008
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Assets by geographic area		
Mexico, Caribbean, Central America	\$ 21,270,046	\$ 20,135,351
South America	16,162,383	17,776,784
Africa, Asia and Other	4,522,152	2,834,701
Canada	29,167,150	29,694,464
	<hr/> \$ 71,121,731	<hr/> \$ 70,441,300
Property, plant and equipment by geographic area		
Mexico, Caribbean, Central America	\$ 2,798,623	\$ 2,842,080
South America	1,433,388	1,181,498
Africa, Asia and Other	1,887,368	1,266,585
Canada	1,638,977	2,688,533
	<hr/> \$ 7,758,356	<hr/> \$ 7,978,696
Goodwill by geographic area		
South America	\$ 1,710,000	\$ 1,710,000
Assets by industry		
Drilling	\$ 66,423,890	\$ 65,754,495
Exploration and mining	4,697,841	4,686,805
	<hr/> \$ 71,121,731	<hr/> \$ 70,441,300
Property, plant and equipment by industry		
Drilling	\$ 7,698,185	\$ 7,917,490
Exploration and mining	60,171	61,206
	<hr/> \$ 7,758,356	<hr/> \$ 7,978,696
