

ENERGOLD DRILLING CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2007 and 2006

Unaudited

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements have been prepared by management and are in accordance with Canadian generally accepted accounting principles. Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements. A system of internal control is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has a process in place to evaluate internal control over financial reporting. Based on that evaluation, management has concluded that internal control over financial reporting was effective as of September 30, 2007.

The board of directors approves the financial statements and ensures that management discharges its financial responsibilities. The board's review is accomplished principally through the audit committee. The audit committee meets periodically with management and the auditors to review financial reporting and control matters.

"F.W. Davidson"
President and Chief Executive Officer

"R. S. Younker"
Chief Financial Officer

November 21, 2007

Energold Drilling Corp.

Statement 1

Interim Consolidated Balance Sheets

As at

Canadian Dollars

Unaudited

	September 30, 2007	September 30, 2006 <i>Restated</i> <i>(Note 15)</i>	December 31, 2006 <i>Audited</i>
ASSETS			
Current			
Cash and cash equivalents	\$ 20,606,411	\$ 5,114,479	\$ 8,264,345
Accounts receivable and prepaid expenses	8,829,278	5,031,524	3,895,878
Short-term investments	86,781	43,130	43,130
Inventory	7,575,549	7,288,966	6,334,010
Current assets of discontinued operations – (Note 13)	-	3,004,731	4,883,988
	37,098,019	20,482,830	23,421,351
Investment in IMPACT Silver Corp. - (Note 3)	2,920,780	2,743,979	2,763,105
Resource Properties - Schedule (Note 4)	1,454,223	2,178,458	2,180,491
Property, Plant and Equipment - (Note 5)	2,987,388	2,227,310	2,103,385
Goodwill - (Note 12)	850,000	-	-
Non-Current Assets of Discontinued Operations - (Note 13)	-	259,867	415,342
	\$ 45,310,410	\$ 27,892,444	\$ 30,883,674
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 4,549,513	\$ 2,076,939	\$ 2,285,055
Income taxes payable	351,063	-	1,131,430
Deferred revenue – current portion	491,045	221,000	480,000
Due to related parties – (Note 6)	-	600,000	750,000
Current liabilities of discontinued operations – (Note 13)	-	13,221	102,566
	5,391,621	2,911,160	4,749,051
Future Income Taxes	310,255	282,820	282,052
Deferred Revenue	-	-	120,000
Due to Related Parties - (Note 6)	-	1,729,991	2,065,194
Non-Controlling Interests - (Note 7)	-	5,555,694	5,637,552
	5,701,876	10,479,665	12,853,849
Commitments - (Note 11)			
SHAREHOLDERS' EQUITY			
Share Capital - (Notes 8, 9)	30,179,432	15,041,249	15,116,249
Warrants - (Note 8c)	1,213,992	-	-
Contributed Surplus - (Note 8b)	846,205	1,024,869	1,024,869
Retained Earnings - Statement 2	7,300,254	1,346,661	1,888,707
Accumulated Other Comprehensive Income - Statement 3	68,651	-	-
	39,608,534	17,412,779	18,029,825
	\$ 45,310,410	\$ 27,892,444	\$ 30,883,674

ON BEHALF OF THE BOARD:

“F.W. Davidson” _____, Director

“H.W. Sellmer” _____, Director

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

Energold Drilling Corp.

Statement 2

Interim Consolidated Statements of Income and Retained Earnings (Deficit)

Canadian Dollars

Unaudited

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006 Restated (Note 15)	2007	2006 Restated (Note 15)
Revenue from Drilling Contracts	\$ 6,890,501	\$ 5,551,379	\$ 19,036,969	\$ 11,646,533
Direct Costs	<u>4,301,036</u>	<u>3,277,816</u>	<u>11,385,547</u>	<u>8,095,047</u>
	2,589,465	2,273,563	7,651,422	3,551,486
Indirect and Administrative Expenses				
Accounting, audit and legal	61,796	133,916	413,833	209,517
Amortization	148,130	124,507	363,135	295,750
Investor relations, promotion and travel	61,518	34,154	200,899	139,584
Management fees and consulting	63,050	90,001	267,625	130,143
Office, insurance, rent and sundry	105,353	115,554	373,988	341,928
Office salaries and services	259,725	240,275	809,471	582,783
Stock-based compensation expense – (Note 9b)	-	9,772	-	32,371
	<u>699,572</u>	<u>748,179</u>	<u>2,428,951</u>	<u>1,732,076</u>
Income Before the Following	1,889,893	1,525,384	5,222,471	1,819,410
Other Income (Expenses)				
Dilution gain on investment in IMPACT Silver Corp. – (Note 3)	104,035	32,166	165,314	1,423,713
Foreign exchange gain (loss)	(955,314)	8,090	(2,126,549)	(240,064)
Gain on disposal of assets	12,368	-	1,432,674	-
Interest income	193,253	34,739	403,321	84,777
Income in IMPACT Silver Corp. – (Note 3)	(43,788)	36,963	(7,639)	153,757
Non-controlling interest – (Note 7)	(194,533)	(934,949)	(914,329)	(1,269,455)
Other income (expenses)	132,025	29,212	218,627	75,517
Write-off of resource properties	(1,046)	(1,820)	(2,975)	(5,515)
	<u>(753,000)</u>	<u>(795,599)</u>	<u>(831,556)</u>	<u>222,730</u>
Income from Continuing Operations before Taxes	1,136,893	729,785	4,390,915	2,042,140
Income and other taxes	(419,580)	(66,729)	(1,607,541)	(203,785)
Future income taxes	(17,748)	(5,488)	(28,203)	(242,886)
	<u>699,565</u>	<u>657,568</u>	<u>2,755,171</u>	<u>1,595,469</u>
Net Income from Continuing Operations	699,565	657,568	2,755,171	1,595,469
Gain on corporate reorganization, net of income tax – (Note 12)	1,515,838	-	1,515,838	-
Discontinued operations, net of income tax – (Note 13)	540,831	566,464	1,140,538	1,559,204
	<u>2,756,234</u>	<u>1,224,032</u>	<u>5,411,547</u>	<u>3,154,673</u>
Net Income for the Period	2,756,234	1,224,032	5,411,547	3,154,673
Retained Earnings (Deficit) – Beginning of period	4,544,020	122,629	1,888,707	(1,808,012)
	<u>7,300,254</u>	<u>1,346,661</u>	<u>7,300,254</u>	<u>1,346,661</u>
Retained Earnings - End of Period	\$ 7,300,254	\$ 1,346,661	\$ 7,300,254	\$ 1,346,661
Earnings per Share – Basic				
Continuing operations	\$ 0.02	\$ 0.03	\$ 0.10	\$ 0.07
Gain on corporate reorganization	0.05	-	0.06	-
Discontinued operations	0.02	0.03	0.05	0.07
Net earnings	\$ 0.09	\$ 0.06	\$ 0.21	\$ 0.14
Earnings per Share – Diluted				
Continuing operations	\$ 0.02	\$ 0.02	\$ 0.10	\$ 0.07
Gain on corporate reorganization	0.05	-	0.06	-
Discontinued operations	0.02	0.03	0.04	0.07
Net earnings	\$ 0.09	\$ 0.05	\$ 0.20	\$ 0.14
Weighted Average Number of Shares Outstanding - Basic	30,068,439	22,153,833	26,331,365	21,746,067
Weighted Average Number of Options Outstanding	495,652	542,784	433,118	579,649
Weighted Average Number of Warrants Outstanding	300,220	-	-	-
Weighted Average Number of Shares Outstanding - Diluted	<u>30,864,311</u>	<u>22,696,617</u>	<u>26,764,483</u>	<u>22,325,716</u>

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

Energold Drilling Corp.

Statement 3

Interim Consolidated Statements of Comprehensive Income

Canadian Dollars

Unaudited

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Net Income for the Period	\$ 2,756,234	\$ -	\$ 5,411,547	\$ -
Other Comprehensive Income				
Unrealized gains on short-term investments	7,975	-	68,651	-
Total Comprehensive Income	\$ 2,764,209	\$ -	\$ 5,480,198	\$ -

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

Energold Drilling Corp.

Statement 4

Interim Consolidated Statements of Cash Flows

Canadian Dollars

Unaudited

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006 Restated (Note 15)	2007	2006 Restated (Note 15)
Cash Resources Provided By (Used In)				
Operating Activities				
Income for the period	\$ 2,756,234	\$ 1,224,032	\$ 5,411,547	\$ 3,154,673
Items not affecting cash				
Amortization	148,130	124,507	363,135	295,750
Dilution gain on investment in IMPACT Silver Corp.	(104,035)	(32,166)	(165,314)	(1,423,713)
Future income taxes	17,748	5,488	28,203	242,886
Gain on disposal of short term investments	-	-	(103,406)	(7,370)
Loss (income) in IMPACT Silver Corp.	43,788	(36,963)	7,639	(153,757)
Loss (Gain) on disposal of assets	(12,368)	-	(1,329,268)	-
Non-controlling interest	(6,841,919)	1,501,414	(5,637,552)	2,677,059
Stock-based compensation expense	-	9,772	-	32,371
Write-off of resource properties	1,046	1,820	2,975	5,515
Changes in non cash working capital	1,399,338	(523,003)	(4,020,342)	(1,308,007)
	(2,592,038)	2,274,901	(5,442,383)	3,515,407
Investing Activities				
Corporate reorganization	(1,515,838)	-	(1,515,838)	-
Deferred revenue	-	-	(120,000)	-
Proceeds on sale of assets	12,368	-	2,013,342	-
Proceeds on sale of short-term investments	-	-	128,406	26,745
Purchase of property, plant and equipment	(497,282)	(126,306)	(1,247,138)	(259,936)
Resource property costs	(2,650)	(3,668)	39,219	(28,086)
	(2,003,402)	(129,974)	(702,009)	(261,277)
Financing Activities				
Due to related parties	(1,838,533)	(411,075)	(2,815,194)	(799,290)
Share capital issued	1,896,529	-	16,098,511	501,400
	57,996	(411,075)	13,283,317	(297,890)
Cash provided by (used in) continuing operations	(4,537,444)	1,733,852	7,138,925	2,956,240
Cash provided by (used in) discontinued operations	6,007,066	566,907	5,203,141	(1,025,824)
Net Increase in Cash and Cash Equivalents	1,469,622	2,300,759	12,342,066	1,930,416
Cash and cash equivalents - Beginning of period	19,136,789	5,039,273	8,264,345	5,409,616
Cash and Cash Equivalents – End of Period	\$ 20,606,411	\$ 7,340,032	\$ 20,606,411	\$ 7,340,032
Consists of:				
Cash and cash equivalents of continuing operations	\$ 20,606,411	\$ 5,114,479	\$ 20,606,411	\$ 5,114,479
Cash and cash equivalents of discontinued operations	-	2,225,553	-	2,225,553
Total	\$ 20,606,411	\$ 7,340,032	\$ 20,606,411	\$ 7,340,032

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

Energold Drilling Corp.

Schedule

Interim Consolidated Schedules of Resource Properties

Canadian Dollars

Unaudited

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Concessions, Dominican Republic – (Notes 4(b)(i), 4(d))				
Deferred exploration costs				
Field office, rent and costs	\$ 2,618	\$ 4,834	\$ 10,211	\$ 11,029
Wages and consulting	32	(1,166)	5,335	17,057
	<u>2,650</u>	<u>3,668</u>	<u>15,546</u>	<u>28,086</u>
Option payment – (Note 4 (d) (iv))	-	-	(54,765)	-
Sale of resource properties – (Note 4(e))	-	-	(684,074)	-
Write-off of resource properties	(1,046)	(1,820)	(2,975)	(5,515)
	<u>1,604</u>	<u>1,848</u>	<u>(726,268)</u>	<u>22,571</u>
Resource Property Costs for the Period	1,604	1,848	(726,268)	22,571
Balance – Beginning of period	<u>1,452,619</u>	<u>2,176,610</u>	<u>2,180,491</u>	<u>2,155,887</u>
Balance – End of Period	\$ 1,454,223	\$ 2,178,458	\$ 1,454,223	\$ 2,178,458

Energold Drilling Corp.

Schedule

Proforma Interim Consolidated Balance Sheets Before Corporate Reorganization

As at

Canadian Dollars

Unaudited

	September 30, 2007	September 30, 2006	December 31, 2006 <i>Audited</i>
ASSETS			
Current Assets	\$ 43,769,057	\$ 20,482,830	\$ 23,421,352
Non Current Assets	<u>7,777,314</u>	<u>7,409,614</u>	<u>7,462,322</u>
	\$ 51,546,371	\$ 27,892,444	\$ 30,883,674
LIABILITIES and Shareholder's Equity			
Current Liabilities	\$ 4,537,766	\$ 2,311,160	\$ 3,999,051
Due to related parties – (Note 6)	<u>750,000</u>	<u>600,000</u>	<u>750,000</u>
	5,287,766	2,911,160	4,749,051
Long-term Liabilities	310,255	282,820	402,052
Due to Related Parties – (Note 6)	561,616	1,729,991	2,065,194
Non-Controlling Interests - (Note 7)	<u>7,395,252</u>	<u>5,555,694</u>	<u>5,637,552</u>
	13,554,889	10,479,665	12,853,849
Shareholders' Equity	32,308,280	16,066,118	16,141,118
Retained Earnings	<u>5,683,202</u>	<u>1,346,661</u>	<u>1,888,707</u>
	\$ 51,546,371	\$ 27,892,444	\$ 30,883,674

Proforma Interim Consolidated Statements of Income and Retained Earnings Before Corporate Reorganization

Canadian Dollars

Unaudited

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Revenue net of Direct Costs	4,102,250	3,444,790	10,693,082	6,988,242
Indirect and Administrative Expenses	<u>760,124</u>	<u>784,382</u>	<u>2,597,832</u>	<u>1,841,194</u>
Income Before the Following	3,342,126	2,660,408	8,095,250	5,147,048
Other Income (Expenses)				
Other income	269,350	147,890	2,133,347	1,752,251
Foreign exchange gain (loss)	(1,141,128)	3,350	(2,474,537)	(332,536)
Non-controlling interest – (Note 7)	<u>(735,364)</u>	<u>(1,501,414)</u>	<u>(2,054,868)</u>	<u>(2,828,659)</u>
	(1,607,142)	(1,350,174)	(2,396,058)	(1,408,944)
Income Before Taxes	1,734,984	1,310,234	5,699,192	3,738,104
Provision for current and future income tax	<u>(595,802)</u>	<u>(86,202)</u>	<u>(1,904,697)</u>	<u>(583,431)</u>
Net Income for the Period	1,139,182	1,224,032	3,794,495	3,154,673
Retained Earnings - End of Period	\$ 5,683,202	\$ 1,346,661	\$ 5,683,202	\$ 1,346,661
Earnings per Share – Basic	0.04	0.06	0.14	0.14
Earnings per Share – Diluted	0.04	0.05	0.14	0.14

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

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

1. Significant Accounting Policies

a) Basis of Presentation

These interim financial statements follow the same accounting policies and methods of their application of the most recent annual financial statements. These financial statements should be read in conjunction with the audited statements as at December 31, 2006.

b) New Accounting Standards

On January 1, 2007, the Company adopted two new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"): Handbook Section 1530, *Comprehensive Income* and Handbook Section 3855, *Financial Instruments – Recognition and Measurement*. The Company adopted these standards and amendments prospectively: accordingly, comparative amounts for prior periods have not been restated.

Comprehensive Income

Section 1530 introduces Comprehensive Income, which consists of net income and other comprehensive income ("OCI"). OCI represents changes in shareholders' equity during a period arising from transactions and other events with non-owner sources and includes unrealized gains and losses on financial assets classified as available-for-sale, unrealized foreign currency translations gains and losses arising from self-sustaining foreign operations, net of hedging activities, and changes in the fair value of the effective portion of cash flow hedging instruments.

The Company has determined that its foreign subsidiaries are not self-sustaining.

Financial Instruments – Recognition and Measurement

CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, effective for fiscal years beginning on or after October 1, 2006, establishes standards for the recognition, classification and measurement of financial instruments including the presentation of any resulting gains and losses. Assets classified as available-for-sale securities will have revaluation gains and losses included in other comprehensive income (and not included in the income statement) until such time as the asset is disposed of or incurs a decline in fair value that is other than temporary. At such time, any gains or losses will be realized and reclassified to the income statement.

Adjustments arising from remeasuring financial assets classified as available-for-sale at fair value were recognized in OCI for the period ended September 30, 2007 and amounted to \$68,651.

2. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, short-term investments, investment in IMPACT Silver Corp., accounts payable and due to related parties. As at September 30, 2007, the Company holds an asset equivalent of CAD\$10,827,770 (2006-\$7,894,375) in financial instruments held in U.S. and other foreign currencies, which is exposed to currency risk based on fluctuations in the prevailing foreign exchange rates. It is management's opinion that the Company is not exposed to significant interest, or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values due to their short-term nature, unless otherwise noted.

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

3. Investment in IMPACT Silver Corp. ("IMPACT")

The Company recorded its investment in IMPACT on a fully consolidated basis until June 30, 2005. Thereafter, the Company's investment in IMPACT was determined by management to have converted from a controlled entity to an equity investment. At both September 30, 2007 and 2006, the Company owned 6,610,001 shares of IMPACT Silver Corp. The Company's interest in IMPACT declined from 17.2% to 15.24% during the period as a result of share issuances of common shares by IMPACT from private placements and the exercise of stock options and warrants. The dilution of the Company's interest in IMPACT due to the private placements and exercises of stock options and warrants resulted in a dilution gain of \$165,314 in the nine months ended September 30, 2007 (2006 - \$1,423,713). 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. Based upon September 30 TSX.V closing market prices of \$1.61 and \$1.00 per share, this investment has a quoted market value of \$10,642,102 at September 30, 2007 and \$6,610,001 at September 30, 2006.

4. Resource Properties

a) Details are as follows:

i) For the period ended September 30, 2007:

	Acquisition Costs	Deferred Exploration	Sale of Resource Properties	Accumulated Write-off	2007
Dominican Republic Concessions					
Actividades	\$ 142,640	\$ 175,902	\$ -	\$ -	\$ 318,542
Casa Real	302,694	605,863	-	-	908,557
Energold Dominicana (formerly Minera Hispaniola)	1,265,275	2,388,571	(684,074)	(2,742,648)	227,124
	<u>\$ 1,710,609</u>	<u>\$ 3,170,336</u>	<u>\$ (684,074)</u>	<u>\$(2,742,648)</u>	<u>\$1,454,223</u>

ii) For the period ended September 30, 2006:

	Acquisition Costs	Deferred Exploration	Accumulated Write-off	2006
Dominican Republic Concessions				
Actividades	\$ 142,640	\$ 202,622	\$ -	\$ 345,262
Casa Real	302,694	616,812	-	919,506
Energold Dominicana (formerly Minera Hispaniola)	1,265,275	2,387,141	(2,738,726)	913,690
	<u>\$ 1,710,609</u>	<u>\$ 3,206,575</u>	<u>\$ (2,738,726)</u>	<u>\$ 2,178,458</u>

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

4. Resource Properties – continued

b) Royalty Agreements

By various agreements dated between January 20, 1995 and October 26, 1998, the Company purchased 100% of the issued and outstanding shares of Energold Dominicana (formerly Minera Hispaniola). Energold Dominicana is the holder of several exploration concessions located in the Dominican Republic. These exploration concessions are subject to the following terms:

- i) On the properties already granted to Energold Dominicana as at January 20, 1995 (*Schedule*), the Company agrees to make the following cash payments:

• Upon commencement of commercial production	US\$250,000
• On the first anniversary of commercial production	US\$250,000

The vendors also retain a 1% net smelter return capped at US\$4,000,000 on these properties.

- ii) On any additional properties acquired directly or indirectly by the Company from January 20, 1995 to October 26, 1998 the vendors retain a 1% net smelter return royalty capped at US\$1,000,000.

c) MJD Agency Ltd. ("MJD")

By agreement dated July 25, 1996 and amended November 4, 1998, March 28, 2002, and July 9, 2007, the Company acquired the right from MJD to purchase a 40% interest in the Dominican Republic company, Actividades Mineras, S.A. ("AMSA") for an exploration work commitment of \$300,000 to be completed by July 25, 2008. To September 30, 2007, a total of \$295,925 has been spent by the Company, including allowable acquisition costs of \$92,640. The 40% interest will be earned proportionately as the \$300,000 is spent. Once complete, the Company has the right to purchase another 20% for an additional \$300,000 work commitment to be completed by July 25, 2008. All costs spent 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 (*Note 4(b)*).

d) Option Agreements – Dominican Republic (*Note 4(b)(i)*)

- i) The Company entered into an agreement with a third party who, by October 2003, was to incur, at its option, exploration expenditures of US\$1,300,000 on certain concessions located in the Dominican Republic, to earn a 51% interest in the concessions. Each concession had a minimum amount that must be incurred to be included in the option. In October 2003, the optionee confirmed that it met the minimum amount required on Bacco y Ofir and Josefina, but failed to meet the threshold expenditures on the remaining concessions, which were then returned to the Company.
- ii) On December 1, 2003, the Company entered into a joint venture with a third party on the Longyear concession in the Dominican Republic. The third party was required to spend US\$1.5 million over three years and to issue 250,000 shares (paid) to earn a 60% interest in the project including the commitment to drill 1,000 metres. The third party could earn an 80% interest by taking the project to a bankable feasibility study. In early 2006, the third party failed to meet its obligations under the option agreement and the property was subsequently returned to the Company.

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

4. Resource Properties – continued

- iii) In January, 2004, the Company entered into an option agreement with a third party on the Centenario concession in the Dominican Republic. The third party is required to spend US\$1.0 million over three years to earn a 60% interest in the project. The third party can earn an 80% interest by taking the project to a bankable feasibility study.
- iv) In May 2006, the Company entered into an option agreement with a third party, giving that party the right to acquire up to a 100% interest in any nickel laterite deposits within four mineral concessions, Elsa 1, Loma Bombara, Loma Camronal and La Parcela. 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\$50,000 paid). The third party has the right to purchase the Company's remaining 25% interest for a 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.

e) Purchase Agreement – Dominican Republic (Note 4(b)(i))

The Company entered into a binding letter of agreement, effective June 29, 2007 with a Canadian controlled private corporation ("CCPC") to transfer, all of its rights and obligations in the La Parcela Concession in the Dominican Republic property to a newly incorporated, wholly owned subsidiary of its Canadian subsidiary, San Antonio (Dominicana) Ltd. ("SAD"). Pursuant to a purchase agreement to be entered into, Energold will transfer all of the issued and outstanding shares of SAD to this CCPC in exchange for \$2.0 million Canadian, which Energold has agreed to invest in an initial public offering to be undertaken by that CCPC, provided that such offering take place by late fall 2007.

As part of this purchase agreement, Energold has undertaken to provide, through SAD, non-exclusive access to its Dominican Republic intellectual portfolio, including access to its property data base of mineral properties in the Dominican Republic until June 30, 2009. Energold has also undertaken to provide technical assistance and support services to this CCPC, at the current market rates, for exploration drilling services on this property. Under the Agreement, SAD and its new subsidiary will agree to assume all of the rights and obligations of Energold and Energold's Dominican subsidiary, Energold Drilling Dominicana, S.A. with respect to the La Parcela mineral exploration concession.

5. Property, Plant and Equipment

	2007		2006
Drilling Equipment	\$ 4,259,870	\$	3,258,597
Exploration Equipment	51,416		51,416
Vehicles	292,971		172,708
Office Furniture and Equipment	356,901		332,783
	4,961,158		3,815,504
Accumulated amortization	(1,973,770)		(1,588,194)
Net Book Value	\$ 2,987,388	\$	2,227,310

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

6. Due to Related Parties

	2007		2006	
Total	\$	-	\$	2,329,991
Less: current portion		-		(600,000)
Long-term portion	\$	-	\$	1,729,991

Monies owed to related parties, who own interests directly or indirectly in Kluane, were unsecured, non-interest bearing and without specific repayment terms. By agreement dated September 30, 2007, all amounts due to related parties were settled in full (*Note 12*).

7. Non-Controlling Interests

The non-controlling interests were initially recorded at the carrying values in the records of the subsidiary. This amount was adjusted by the non-controlling interest's portion of the income (loss) and certain other adjustments that occur subsequent to the acquisition of control of the company. By agreement dated September 30, 2007, all amounts due to non-controlling interests were settled in full (*Note 12*).

Pac Rim

	2007		2006	
Total net assets as at the date of acquisition at carrying value	\$	1	\$	1
Multiplied by the non-controlling interest – 49.99%		1		1
Prior years income allocated to non-controlling interest, net of distributions		2,985,145		2,034,743
Current periods income allocated to non-controlling interest, net of distributions		664,318		490,096
Elimination of non-controlling interest on corporate reorganization		(3,649,464)		-
Total non-controlling interest – Pac Rim	\$	-	\$	2,524,840

Kluane

Total assets as at the date of incorporation	\$	100	\$	100
Multiplied by the non-controlling interest – 50.00%		50		50
Prior years income (loss) allocated to non-controlling interest		2,652,407		843,841
Current periods income allocated to non-controlling interest		(272,156)		2,186,963
Elimination of non-controlling interest on corporate reorganization		(2,380,301)		-
Total non-controlling interest – Kluane	\$	-	\$	3,030,854
Total non-controlling interest	\$	-	\$	5,555,694

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

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8. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
Unlimited common shares without par value		
Issued and outstanding:		
Balance – September 30, 2006	22,153,833	\$ 15,041,249
Issued as bonus to officers and directors	81,519	75,000
Balance – December 31, 2006	22,235,352	\$ 15,116,249
Agent's compensation options exercised	478,100	1,051,820
Agent's compensation warrants exercised	239,050	681,293
Fair value assigned to warrants exercised	-	84,979
Fair value of warrants issued	-	(1,298,971)
Private placement	6,830,000	15,026,000
Share issue costs	-	(1,154,602)
Share purchase options exercised	975,000	494,000
Value assigned to options exercised	-	178,664
Balance – September 30, 2007	30,757,502	\$ 30,179,432

b) **Contributed Surplus**

Balance – September 30, 2006 and December 31, 2006	\$ 1,024,869
Value assigned to options exercised	(178,664)
Balance – September 30, 2007	\$ 846,205

c) **Warrants**

	Number	Amount
Balance – September 30, 2006 and December 31, 2006	-	\$ -
Private placement (i)	3,415,000	1,213,992
Compensation warrants (i)	239,050	84,979
Warrants exercised	(239,050)	(84,979)
Balance – September 30, 2007	3,415,000	\$ 1,213,992

i) The Company determined the fair value of the May 15, 2007 private placement and agent's compensation warrants based upon a Black-Scholes model using the following weighted average assumptions: expected life of 12 months, expected volatility 58.18%, risk free interest rate 4.57%, dividend yield of 0%.

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

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8. Share Capital - continued

- d) In March 2005, the Company issued 1,200,000 warrants with respect to a brokered private placement, entitling the holder to acquire one common share at a price of \$1.50 per share until December 31, 2005. In addition the Company also granted 90,000 broker's warrants and 180,000 broker's shares in connection with the placement. Each broker's share entitles the holder to acquire one common share at a price of \$1.40 and one broker's warrant entitles the holder to purchase an additional share of the Company at a price of \$1.50 per share, until December 31, 2005. In November 2005, the Company extended 1,200,000 warrants until September 30, 2006. All the warrants expired on that date.
- e) On May 15, 2007, the Company issued a private placement of 6,830,000 units at a price of \$2.20 per unit, of which 1,370,000 units were sold to the agent. Each unit consists of one common share and one-half share purchase warrant. One share purchase warrant entitles the holder to acquire one common share at a price of \$2.85 per share until May 15, 2008. The Company paid a cash commission to the agent of 7% of the gross proceeds of the placement, and issued the agent 478,100 compensation units which entitle the holder to purchase units at a price of \$2.20 per unit until May 18, 2008. To September 30, 2007 all of the compensation and their respective warrants options have been exercised. None of the share purchase warrants have been exercised as of September 30, 2007.

9. Share Purchase Options

The Company has established a share purchase 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, however as of September 30, 2007, only 760,000 have been allocated. 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.

- a) A summary of the Company's options are as follows:

i) At September 30, 2007 and changes for the period

Number				Number		
Outstanding			Expired	Outstanding	Exercise	Expiry
September	Granted	Exercised		September	Price	Date
30, 2006				30, 2007	Per Share	
650,000	-	(650,000)	-	-	\$ 0.16	April 29, 2007
1,100,000	-	(325,000)	(15,000)	760,000	\$ 1.20	May 3, 2010
1,750,000	-	(975,000)	(15,000)	760,000	\$ 1.20	May 3, 2010

All options are fully vested at September 30, 2007.

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

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9. Share Purchase Options - continued

ii) At September 30, 2006 and changes for the period

Number Outstanding September 30, 2005	Granted	Exercised	Expired	Number Outstanding September 30, 2006	Exercise Price Per Share	Expiry Date
870,000	-	(850,000)	(20,000)	-	\$ 0.15	June 14, 2006
690,000	-	(40,000)	-	650,000	\$ 0.16	April 29, 2007
1,150,000	-	-	(50,000)	1,100,000	\$ 1.20	May 3, 2010
-	150,000	-	(150,000)	-	\$ 1.14	December 21, 2006
					\$ 0.16	April 29, 2007
2,710,000	150,000	(890,000)	(220,000)	1,750,000	- 1.20	- May 3, 2010

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

- i) In May 2005, the Company granted additional stock options under its Stock Option Plan to directors and employees exercisable for up to 1,150,000 shares of the Company. The fair value of these stock options was estimated at \$632,197 on the grant date. These options were fully vested on the grant date.
- ii) In December 2005, the Company granted additional stock options under its Stock Option Plan to a consultant exercisable for up to 150,000 shares of the Company. The fair value of these stock options was estimated at \$43,976 on the grant date (\$32,371 expensed in 2006). These options vest 25% on the date granted and 25% every quarter thereafter.

The total value of stock compensation expense on stock options granted to employees and consultants of the Company for the period ended September 30, 2007 is \$nil (2006 - \$108,353), which has been recorded in the accounts of the Company. This value is estimated at the date of the grant with the following weighted average assumptions:

Number of options granted	1,150,000	150,000
Risk-free interest rate	3.30%	3.80%
Expected dividend yield	NIL	NIL
Expected stock price volatility	65.61%	61.82%
Expected option life in years	3	1

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.

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

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10. Related Party Transactions

Related party balances not disclosed elsewhere are as follows:

- a) During the period, the Company had a three year employment contract (expiring April 1, 2008) with one director and officer for fees of \$15,250 per month until March 31, 2007, and \$17,500 per month thereafter. During the nine months ended September 30, 2007, fees, salary and cash bonus in the amount of \$224,625 (2006 - \$137,250) were accrued or paid to this director and officer. In addition fees and cash bonus of \$112,625 (2006 - \$69,113) were also paid or accrued to another officer of the Company. Salary of \$82,000 (2006 - \$70,200) was accrued or paid to an individual related to a director.
- b) During the nine months ended September 30, 2007, directors fees in the amount of \$75,000 were paid by the Company. In addition a cash bonus of \$15,000 was also paid to one of the directors.
- c) During the nine months ended September 30, 2007, legal fees in the amount of \$257,002 (2006 - \$32,038) were accrued or paid to a firm related to a director.
- d) During the nine months ended September 30, 2007, fees in the amount of \$1,140,690 (2006 - \$533,554) were charged to IMPACT for contract drilling services performed in Mexico.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Commitments

- a) The Company has signed a lease for office premises which commenced May 15, 2002 and expired May 14, 2007. Lease obligations, net of operating costs, were \$65,441 per year during this period. The Company signed a new lease which commenced June 1, 2007 and ends May 31, 2010. Lease obligations, net of operating costs, will be \$112,185 per year during the new agreement.
 - b) The Company has signed a lease for warehouse premises which commenced July 1, 2005 and ends June 30, 2008. Lease obligations, net of operating costs, are \$16,149 per year for the first two years and \$16,726 per year for the third year.
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Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

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12. Corporate Reorganization

On September 30, 2007, the Company's subsidiary Kluane International Drilling Inc. ("KID") signed an agreement with the Company's former joint venture partner in both KID and Pac Rim Drilling S.A.C. ("Pac Rim"), in which it, directly and indirectly, obtained 100% ownership and control of these two subsidiaries. Previously, the Company held a 50% interest in both Pac Rim and KID. As part of the transaction, its former partner acquired a 100% interest in KID's subsidiaries Cienminas S.A. and Kluane Guatemala S.A. As part of this agreement, all amounts due to related parties and non-controlling interests were settled in full.

Prior to this transaction, the Company fully consolidated 100% of the assets and liabilities for KID and Pac Rim and recorded the applicable non-controlling interest. Effective immediately after this transaction, the Company will no longer be required to reflect a non-controlling interest in its accounting.

The Company recognized a preliminary accounting gain on corporate reorganization of \$1,515,838 estimated as follows:

Net consideration, including goodwill of \$850,000	\$	361,266
Income tax provision on gain on sale of subsidiaries		<u>638,479</u>
		999,745
Less: Non-controlling interest, net of equity in subsidiaries		<u>(2,515,583)</u>
(Gain) on corporate reorganization	\$	<u>(1,515,838)</u>

By agreement, this gain is subject to further post closing adjustments.

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

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13. Discontinued Operations

During the period, Kluane International Drilling Inc., a now wholly owned subsidiary of the Company, disposed of by way of sale two of its wholly owned subsidiaries, Kluane Guatemala, S.A. and Cienminas, S.A. As a result the related assets, liabilities and operations have been recorded as discontinued operations.

The assets and liabilities of discontinued operations are as follows:

	September 30, 2007	September 30, 2006	December 31, 2006
Current Assets			
Cash and cash equivalents	\$ -	\$ 2,225,553	\$ 2,600,171
Accounts receivable, prepaids and inventory	-	779,178	2,290,195
		3,004,731	4,890,366
Non-Current Assets	-	259,867	415,342
	\$ -	\$ 3,264,598	\$ 5,305,708
Current Liabilities	\$ -	\$ 13,221	\$ 102,566
	\$ -	\$ 13,221	\$ 102,566
Net Assets	\$ -	\$ 3,251,377	\$ 5,203,142

Net income from discontinued operations is as follows:

	September 30, 2007	September 30, 2006
Revenue	\$ 6,983,934	\$ 7,081,622
Direct Costs	(3,996,953)	(3,644,865)
Indirect and administrative expenses	(516,868)	(201,591)
Non-controlling interest expense	(1,140,538)	(1,559,204)
Provision for income tax	(268,953)	(136,760)
Interest Income	79,916	20,002
Net income from discontinued operations	\$ 1,140,538	\$ 1,559,204

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

14. Segmented Information

The assets of discontinued operations relate to certain of the Company's drilling operations in Central and South America.

	As at September 30, 2007		As at September 30, 2006 <i>Restated</i> <i>(Note 15)</i>		As at December 31, 2006
Assets by geographic area					
Caribbean	\$ 9,886,410	\$	5,336,396	\$	5,758,807
Canada	26,122,494		14,130,210		12,434,207
South America	9,301,506		5,161,240		7,391,330
Discontinued Operations	-		3,264,598		5,299,330
	\$ 45,310,410	\$	27,892,444	\$	30,883,674
Property, plant and equipment by geographic area					
Caribbean	\$ 1,314,197	\$	963,041	\$	1,005,263
Canada	1,091,794		906,671		754,743
South America	581,397		357,598		343,379
	\$ 2,987,388	\$	2,227,310	\$	2,103,385
Assets by industry					
Drilling	\$ 38,522,163	\$	19,315,960	\$	20,370,046
Exploration and mining	6,788,247		5,311,886		5,214,298
Discontinued Operations	-		3,264,598		5,299,330
	\$ 45,310,410	\$	27,892,444	\$	30,883,674
Property, plant and equipment by industry					
Drilling	\$ 2,923,164	\$	2,162,306	\$	2,039,102
Exploration and mining	64,224		65,004		64,283
	\$ 2,987,388	\$	2,227,310	\$	2,103,385

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

Canadian Dollars

Unaudited

14. Segmented Information – continued

Net income of discontinued operations relates to certain of the Company's drilling operations in Central and South America.

Details at September 30 are as follows:

	Three months ended September 30 2007		2006 <i>Restated</i> <i>(Note 15)</i>		Nine months ended September 30 2007		2006 <i>Restated</i> <i>(Note 15)</i>	
Revenue by geographic area								
Caribbean	\$	2,816,581	\$	2,571,568	\$	8,606,415	\$	5,636,201
Other		1,394,937		780,016		1,986,536		1,434,104
South America		2,678,983		2,199,795		8,444,018		4,576,228
	\$	6,890,501	\$	5,551,379	\$	19,036,969	\$	11,646,533
Net income (loss) by geographic area								
Caribbean	\$	455,083	\$	439,493	\$	3,157,351	\$	442,790
Canada		(295,561)		(500,710)		(2,113,949)		(37,117)
Other		488,608		213,610		674,699		373,374
South America		51,434		505,173		1,037,070		816,421
Discontinued operations		540,832		566,465		1,140,538		1,559,204
Gain on corporate reorganization		1,515,838		-		1,515,838		-
	\$	2,756,234	\$	1,224,031	\$	5,411,547	\$	3,154,672
Revenue by industry								
Drilling	\$	6,890,501	\$	5,551,379	\$	19,036,969	\$	11,646,533
Net income (loss) by industry								
Drilling	\$	610,212	\$	619,338	\$	1,283,144	\$	270,769
Exploration and mining		89,352		38,230		1,472,027		1,324,701
Discontinued operations		540,832		566,463		1,140,538		1,559,202
Gain on corporate reorganization		1,515,838		-		1,515,838		-
	\$	2,756,234	\$	1,224,031	\$	5,411,547	\$	3,154,672

Energold Drilling Corp.

Notes to the Interim Consolidated Financial Statements September 30, 2007 and 2006

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15. Restatement

The Company records its investment in IMPACT using the equity method. When there are third parties that are issued shares of IMPACT a dilution gain or loss can occur. For fiscal 2005, the Company restated its financials and recorded a gain on dilution of \$224,346 and a future income tax expense of \$39,934, and a reduction in the previously reported deficit of \$184,412. For the nine months ended September 30, 2006, the Company should have recorded a gain on dilution of \$1,423,713 and a future income tax expense of \$242,886 resulting in a net increase in income for the period of \$1,180,827, and a corresponding reduction in the previously reported deficit. The effect of the restatement on the September 30, 2006 consolidated financial statements is as follows:

	As previously reported		As restated	
Investment in IMPACT	\$	1,095,920	\$	2,743,979
Future income tax liability	\$	-	\$	282,820
Income for the period	\$	1,973,846	\$	3,154,673
Retained earnings (deficit)	\$	(18,578)	\$	1,346,661
Earnings per share - basic	\$	0.09	\$	0.14
Earnings per share - diluted	\$	0.09	\$	0.14
