

**Amador Gold Corp.**  
**Financial Statements**  
**(Expressed in Canadian Dollars)**  
**October 31, 2005**

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**Amador Gold Corp.****Financial Statements**

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**October 31, 2005**

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## AUDITORS' REPORT

To the Shareholders of  
AMADOR GOLD CORP.

We have audited the balance sheet of Amador Gold Corp. as at October 31, 2005 and the statements of operations and deficit, and cash flows for the year ended October 31, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2005 and the results of its operations and its cash flows for the year ended October 31, 2005 in accordance with Canadian generally accepted accounting principles.

The financial statements as at October 31, 2004, and for the years ended October 31, 2004 and 2003, were audited by other auditors who expressed an opinion without reservation on those statements in their report dated January 5, 2005.

Vancouver, Canada

"Morgan & Company"

February 10, 2006

Chartered Accountants

### COMMENTS BY AUDITORS FOR U.S. READERS ON CANADA-U.S. REPORTING DIFFERENCE

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in Note 1 to the financial statements. Our report to the shareholders, dated February 10, 2006, is expressed in accordance with Canadian reporting standards, which do not permit a reference to such events and conditions in the Auditors' Report when these are adequately disclosed in the financial statements.

Vancouver, Canada

"Morgan & Company"

February 10, 2006

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**Amador Gold Corp.**  
**Balance Sheets**

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**October 31,** **2005** **2004**

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**Assets****Current**

Cash and cash equivalents	\$	189,341	\$	23,017
Tax credits recoverable		-		12,909
Goods and services tax recoverable		16,038		6,588
Prepaid expenses		483		5,600

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**205,862** **48,114**

**Mineral properties** (note 3) **3,526,941** **2,466,879**

**Equipment** **1,086** **1,552**

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**\$ 3,733,889** **\$ 2,516,545**

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**Liabilities****Current**

Accounts payable and accrued liabilities	\$	48,981	\$	63,353
Due to related parties (note 5)		4,280		10,688

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**53,261** **74,041**

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**Shareholders' Equity**

**Share capital** (note 4) **7,866,229** **6,203,328**

**Contributed surplus** **253,000** **171,000**

**Share subscriptions receivable** (note 4c,xi) **(167,000)** **-**

**Deficit** **(4,271,601)** **(3,931,824)**

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**3,680,628** **2,442,504**

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**\$ 3,733,889** **\$ 2,516,545**

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Going concern (note 1)

Commitments (note 6)

**Approved by the Directors:**

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"Alan D. Campbell" Director

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"Lynn W. Evoy" Director

- See Accompanying Notes -

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**Amador Gold Corp.****Statements of Operations and Deficit**

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<b>For the years ended October 31,</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Administrative expenses</b>			
Bank charges	\$ 1,608	\$ 832	\$ 620
Consulting fees	107,551	46,519	29,232
Amortization	466	274	-
Financing fees	-	-	102,500
Interest on debt	-	49,779	24,748
Investor relations and promotion	17,370	132,154	78,260
Legal and accounting	49,033	79,570	63,044
Management fees (note 5a)	137,000	27,000	44,000
Office and miscellaneous	11,799	15,108	5,247
Part XII.6 penalty tax	-	3,800	-
Regulatory fees	28,982	34,808	15,866
Transfer agent fees	8,587	10,116	6,811
Stock based compensation (note 4g)	79,000	144,000	-
Recovery of prior year expenses	-	-	(1,690)
Less: interest earned	(619)	(4,960)	(3,209)
	<b>440,777</b>	<b>539,000</b>	<b>365,429</b>
<b>Loss before other item and income taxes</b>	<b>(440,777)</b>	<b>(539,000)</b>	<b>(365,429)</b>
<b>Other item</b>			
(Write off) recovery of mineral property expenditures	-	11,788	(158,990)
<b>Loss before income taxes</b>	<b>(440,777)</b>	<b>(527,212)</b>	<b>(524,419)</b>
<b>Future income tax benefit recognized on issuance of flow through shares</b>	<b>101,000</b>	<b>-</b>	<b>-</b>
<b>Net loss for the year</b>	<b>(339,777)</b>	<b>(527,212)</b>	<b>(524,419)</b>
<b>Deficit, beginning of year</b>	<b>(3,931,824)</b>	<b>(3,812,612)</b>	<b>(3,416,958)</b>
<b>Future income tax benefit recognized on issuance of flow through shares</b>	<b>-</b>	<b>408,000</b>	<b>128,765</b>
<b>Deficit, end of year</b>	<b>\$ (4,271,601)</b>	<b>\$ (3,931,824)</b>	<b>\$ (3,812,612)</b>
<b>Loss per share - Basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.04)</b>	<b>\$ (0.07)</b>
<b>Weighted average number of shares</b>	<b>26,010,641</b>	<b>14,545,967</b>	<b>7,893,541</b>

- See Accompanying Notes -

**Amador Gold Corp.**  
**Statements of Cash Flows**

For the years ended October 31,	2005	2004	2003
<b>Cash provided by (used for)</b>			
<b>Operating activities</b>			
Net loss for the year	\$ (339,777)	\$ (527,212)	\$ (524,419)
Add items not affecting cash:			
Amortization	466	274	-
Financing fee	-	-	70,000
Future income tax benefit recognized on issuance of flow through shares	(101,000)	-	-
Write off of mineral property expenditures	-	-	158,990
Stock based compensation	79,000	144,000	-
Change in non-cash working capital items:			
Tax credits recoverable	12,909	(12,909)	-
Goods and services tax recoverable	(9,450)	(2,673)	8,814
Prepaid expenses	5,117	(5,167)	(433)
Accounts payable and accrued liabilities	(20,008)	48,395	31,391
	<b>(372,743)</b>	<b>(355,292)</b>	<b>(255,657)</b>
<b>Financing activities</b>			
Loans received	-	187,500	-
Repayment of loans	-	(100,000)	-
Promissory note issued	-	-	350,000
Advances from (repayment to) related parties	(6,408)	6,742	3,946
Issuance of share capital	1,568,501	1,750,000	995,250
Share issuance costs, cash	(72,125)	(132,750)	(71,200)
	<b>1,489,968</b>	<b>1,711,492</b>	<b>1,277,996</b>
<b>Investing activities</b>			
Purchase of equipment	-	(1,826)	-
Acquisition of mineral properties	(589,108)	(370,582)	(552,500)
Deferred exploration expenditures	(361,793)	(1,059,238)	(439,499)
	<b>(950,901)</b>	<b>(1,431,646)</b>	<b>(991,999)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>166,324</b>	<b>(75,446)</b>	<b>30,340</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>23,017</b>	<b>98,463</b>	<b>68,123</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 189,341</b>	<b>\$ 23,017</b>	<b>\$ 98,463</b>
<b>Supplemental cash flow information</b>			
Interest paid	\$ -	\$ 26,250	\$ 24,748

**Supplemental disclosure of non-cash financing and investing activities (note 8)**

- See Accompanying Notes -

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# Amador Gold Corp.

## Notes to the Financial Statements

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October 31, 2005

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### 1. Nature of Operations and Going Concern

The company is a public company classified in the natural resource industry, and trades on the TSX Venture Exchange. At October 31, 2005 the company has interests in properties in the Provinces of Ontario, Quebec, New Brunswick and British Columbia, Canada.

These financial statements have been prepared in accordance with generally accepted accounting principles on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

During the year, the company incurred a loss of \$440,777 before income taxes and has an accumulated deficit of \$4,271,601. The operations of the company have primarily been funded by the issuance of common shares. Continued operations of the company are dependent on the company's ability to complete public equity financing or generate profitable operations in the future. Management's plan in this regard is to secure additional funds through future equity financings, which may not be available or may not be available on reasonable terms.

### 2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these financial statements:

#### a) Basis of accounting

The statements have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by The Canadian Institute of Chartered Accountants (CICA).

#### b) Cash and cash equivalents

For purposes of reporting cash flows, the company considers cash and short-term investments to include amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The company places its cash and cash investments with institutions of high-credit worthiness.

#### c) Mineral properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. If put into production, the deferred costs will be amortized over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

**October 31, 2005**

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**2. Significant Accounting Policies** (continued)

**c) Mineral properties** (continued)

Recorded costs of mineral properties and deferred exploration and development expenditure are not intended to reflect present or future values of resource properties.

Although the company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

**d) Equipment and amortization**

Equipment is recorded at cost. Amortization of computer equipment is provided at a rate of 30% per annum on the declining balance method.

**e) Environmental expenditures**

The operations of the company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the company vary greatly and are not predictable. The company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

**f) Reporting currency and foreign currency translation**

The financial statements have been presented in Canadian dollars as the company's principal operations and cash flow are influenced primarily by the Canadian currency. Monetary assets and liabilities are translated at year-end exchange rates; other assets and liabilities have been translated at the rates prevailing at the date of transaction. Revenue and expense items, except for amortization, are translated at the average rate of exchange for the year. Amortization is converted using rates prevailing at dates of acquisition. There were no foreign currency transactions and translation adjustments in the years ended October 31, 2003, 2004 and 2005.

**g) Share capital**

- i) The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the company.
- ii) Commissions paid to underwriters, on the issue of the company's shares are charged directly to share capital. Other share issue costs, such as legal, auditing, and printing, are charged to deficit.

**October 31, 2005**

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**2. Significant Accounting Policies (continued)**

**h) Stock based compensation plan**

Effective November 1, 2003, the company adopted, on a prospective basis, the recommendations of the CICA with respect to the recognition, measurement, and disclosure of stock-based compensation and other stock based payments. Under this policy the company values all stock-based compensation granted at the fair value as determined using the Black-Scholes option valuation model.

**i) Flow through shares**

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. In 2004, the company adopted on a prospective basis for flow-through share transactions initiated after March 19, 2004, CICA EIC-146 "Flow-through Shares", which requires a reduction in share capital and the recognition of the related future income tax liability, on the date the expenditures are renounced. The future tax liability is concurrently extinguished on the transfer of the resource expenditure income tax deductions to the flow-through shareholders and the company recognizes the corresponding future income tax benefit in the statement of operations for the year then ended.

In 2004 and 2003 the future income tax benefits from the issue of flow-through shares are reported as a direct reduction in the deficits for the years then ended.

**j) Income taxes**

Income taxes are accounted for using the future income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are likely to be realized. Future income taxes assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are recovered or settled.

**k) Loss per share**

Basic earnings per share are computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact in 2005, 2004, and 2003.

**October 31, 2005**

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**2. Significant Accounting Policies (continued)**

**l) Non-monetary consideration**

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors.

**m) Financial instruments**

The company's financial instruments consist of cash and cash equivalents, tax credits recoverable, goods and services tax recoverable, accounts payable, accrued liabilities and amount due to related party. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

**n) Estimates**

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

**o) Asset retirement obligations**

Effective November 1, 2003, the company retroactively adopted the recommendations in CICA Handbook Section 3110 – "Asset Retirement Obligations". Under Section 3110, legal obligations associated with the retirement of tangible long-lived assets are recorded as liabilities. The liabilities are calculated using the net present value of the cash flows required to settle the obligation. A corresponding amount is capitalized to the related asset. Asset retirement costs are amortized to earnings in a manner consistent with the depreciation or depletion of the underlying asset. The liabilities are subject to accretion over time for increases in the fair value of asset retirement obligations. Management estimates may be subject to material adjustment as a result of changes in regulations, or changes in the means and extent environmental remediation. Accretions and changes in estimates are accounted for prospectively in the statement of operations commencing in the period revisions are made.

**October 31, 2005**

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**2. Significant Accounting Policies (continued)**

**p) Impairment of long-lived assets**

Effective November 1, 2003, the company prospectively adopted the recommendations in CICA Handbook Section 3063 – “Impairment of Long-Lived Assets”. Section 3063 requires that the company review for impairment of long-lived assets, including mineral properties and related deferred costs, development costs, and capital assets, to be held and used, annually, and whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such conditions exist, assets are considered impaired if the sum of the undiscounted expected future cash flows expected to result from the use and eventual disposition of an asset is less than its carrying amount. An impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value. When quoted market value prices are not available, the company uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value. Prior to November 1, 2003, the amount of the impairment loss was determined as the difference between the carrying value and undiscounted cash flow from use.

**q) Comparative amounts**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's financial statements.

**3. Mineral Properties**

**a) Kenora Property Group**

**i) Kenora**

During fiscal 2003 the company entered into a letter of intent for the assignment of an option agreement to acquire a 100% interest in 39 patented claims and 2 mineral claims 60 kilometres west of Kenora, Ontario. The agreement was amended in August 2004. Consideration, as amended, consists of \$35,000 to the assignor (paid), \$225,000 before February 14, 2003 (paid), \$250,000 on August 27, 2003 (paid), \$250,000 on each of August 27, 2004 (paid), and 2005 (paid), \$500,000 on each of August 27, 2006, 2007, 2008, and 2009. As consideration for the amendment the company has agreed to pay each of the two optionors 2.5% of the proceeds of any financings completed by the company between August 27, 2006 and the final payment. All outstanding amounts are due and payable within 90 days of commercial production. In addition, there is a royalty payable of between 1% and 2%. An additional amount of \$50,000 due on December 31, 2004 was paid.

A finders fee is payable with respect to acquisition and exploration expenditures under the option agreement as follows; 7.5% of the first \$300,000 consideration (\$22,500 paid), 5% on the next \$700,000 (\$35,000 paid), 2.5% on the next \$4,000,000 (\$46,282 paid or accrued to date) and 1% on any additional payments up to a maximum of \$300,000.

To date, the company has staked an additional 11 mineral claims (6 claims and 5 claims in fiscal 2003 and 2004 respectively) adjacent to the Kenora Property.

**October 31, 2005**

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**3. Mineral Properties** (continued)

**a) Kenora Property Group** (continued)

**ii) Glass Claims**

During fiscal 2004 the company was granted an option to earn a 100% interest in the Glass Claims covering 840 acres in Ontario. Consideration is the issuance of 100,000 common shares (50,000 issued at a deemed price of \$0.20 per share) and \$93,000 cash (\$18,000 paid) over a 4-year period. In addition the property is subject to a 1¼% net smelter royalty in favour of the optionor, of which the company may purchase ½% of the royalty for \$500,000.

**b) Red Lake Property Group**

**i) Todd Township Property**

During fiscal 2004 the company was granted an option to earn a 100% interest in the Todd Township Property, 5 claim units, 200 acres, in the Red Lake Mining Division, Ontario. Consideration is the issuance of 100,000 common shares (50,000 issued at a deemed price of \$0.20 per share) and \$69,000 cash (\$9,000 paid) over a 4 year period. In addition the property is subject to a 2% net smelter royalty in favour of the optionor, of which the company may purchase 1% of the royalty for \$600,000.

**ii) Maskootch Lake Property**

During fiscal 2004 the company was granted an option to earn a 100% interest in the Maskootch Lake Property, 32 claim units, 1280 acres, in the Red Lake Mining Division, Ontario. Consideration is the issuance of 100,000 common shares (50,000 issued at a deemed price of \$0.20 per share) and \$88,000 cash (\$13,000 paid) over a 4 year period. In addition the property is subject to a 2% net smelter royalty in favour of the optionor, of which the company may purchase 1% of the royalty for \$1,000,000.

**c) Silverstrike Group**

**i) Silver Strike Property**

Option agreement to acquire a 100% interest in the Kell Mine Property, Ontario. Consideration is \$50,000 (\$10,000 paid), 150,000 common shares (30,000 issued at deemed price of \$0.085 per share) and \$80,000 in exploration expenses over 4 years. The property is subject to a 2% net smelter return royalty with a buy back of 1% for \$1,000,000.

**ii) Silver Claim Property**

Option agreement to acquire a 100% interest in the Silver Claim Property, Ontario. Consideration will be \$150,000 cash (\$15,000 paid), 200,000 common shares (50,000 issued at a deemed price of \$0.085 per share) and \$200,000 in exploration expenses over 4 years. The property is subject to a 2% net smelter return royalty with a buy back of 1% for \$1,000,000.

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**3. Mineral Properties** (continued)

**c) Silverstrike Group** (continued)

**iii) Thompson Property**

Option agreements to acquire a 100% interest in Thompson Property, Ontario. Consideration is \$30,000 (\$5,000 paid), 150,000 common shares (30,000 issued at a deemed price of \$0.085 per share) and \$60,000 in exploration expenditures over 4 years. The property is subject to a 2% net smelter return royalty with a buy back of 1% for \$1,000,000.

**iv) Kell Mine Property, Ontario**

Option agreement to acquire a 100% interest in the Kell Mine Property, Ontario. Consideration will be \$30,000 (\$5,000 paid), 150,000 common shares (30,000 issued at a deemed price of \$0.085 per share) and \$60,000 in exploration expenses over 4 years. The property is subject to a 2% net smelter return royalty with a buy back of 1% for \$1,000,000.

**v) Capitol Silver Property**

Option agreement to acquire a 100% interest in the Capitol Silver Mine property, located approximately 4 km northeast of Gowganda, Ontario. Consideration for the property consists of \$35,000 cash (\$5,000 paid) and 350,000 shares (50,000 issued at a deemed price of \$0.075 per share) payable over three years. The company must incur an aggregate of \$120,000 in exploration expenses on the property over three years. There is a 2% net smelter return of which half may be purchased for \$1,000,000.

**vi) Hudson Bay Property**

Option agreement to acquire a 100% interest in the Hudson Bay Silver Mine Property, Ontario. Consideration will be \$35,000 cash (\$5,000 paid), 300,000 common shares (50,000 issued at a deemed price of \$0.09 per share) and \$60,000 in exploration expenses over 3 years. The property is subject to a 2% net smelter return royalty, half of which can be purchased for \$1,000,000.

**d) Ajax Group**

**i) Ajax Property, Ontario**

Purchase and sale agreements to acquire a 100% interest in the Ajax Property, Ontario. Consideration will be \$80,000 cash (paid) and 300,000 common shares (300,000 issued at a deemed price of \$0.085 per share). The property is subject to a 2% net smelter return royalty with a buy back of 1% for \$1,000,000.

**ii) Banting Chambers Property**

Option agreements to acquire a 100% interest in the Banting Chambers Property located approximately 20 km northwest of Temagami, Ontario. Consideration will be \$22,500 cash (\$5,000 paid), 150,000 shares (50,000 issued at a deemed price of \$0.09 per share) over two years and \$110,000 in exploration expenditures over three years. A 2% royalty is payable on the property half of which can be purchased for \$500,000.

**October 31, 2005**

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**3. Mineral Properties** (continued)

**d) Ajax Group** (continued)

**iii) Strathy Property**

During the year the company acquired a 100% interest in 3 claims in the Strathy Township property located in Ontario. Consideration was \$20,000 cash (paid). The property is subject to a 1% net smelter return royalty, which may be purchased for \$250,000 at any time.

**e) Magnum Property**

Assignment agreement to acquire a 100% interest in the Magnum Property, Quebec. Consideration for the property is \$50,000 (\$50,000 paid) and 300,000 common shares (300,000 issued at a deemed price of \$0.08 per share). The underlying agreement requires exploration expenditures of \$25,000 by June 12, 2005 (\$25,000 paid) and an additional \$225,000 by October 25, 2007 (\$15,292 paid). The property is subject to a 2% net smelter return royalty, half of which can be purchased for \$1,000,000.

**f) Tetagouche Property**

Option agreement to acquire a 100% interest in the Tetagouche Property, New Brunswick. Consideration will be \$40,000 cash (\$10,000 paid) and 150,000 common shares (30,000 issued at a deemed price of \$0.075 per share) over 3 years. The property is subject to a 2% net smelter return royalty with a buy back of 1% for \$750,000.

**g) Mennin Lake Property**

Option agreements to acquire a 100% interest in the Mennin Lake Property, Ontario. The Consideration will be \$142,000 (\$12,000 paid) 300,000 common shares (50,000 issued at a deemed price of \$0.08 per share) and \$160,000 in exploration expenses over 4 years. The property is subject to a 2% net smelter return royalty, half of which may be purchased for \$2,000,000. Commencing on the fifth anniversary of the agreement advanced royalty payments of \$15,000 are payable each year.

**h) Fripp Property**

Option agreement to acquire a 100% interest in the Fripp Property, Ontario. The Fripp Property is being acquired for \$5,000 cash (paid), 100,000 shares (25,000 issued at a deemed price of \$0.125 per share) payable over four years and \$20,000 in exploration by December 31, 2005. There is a 1% net smelter return of which half may be purchased for \$500,000.

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**Amador Gold Corp.**  
**Notes to the Financial Statements**

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**3. Mineral Properties (continued)****i) Connor Creek Property**

Option agreement to acquire a 50% interest in the Connor Creek Property, located in Nelson Mining Division, British Columbia. Consideration for the property consists of 400,000 common shares (200,000 issued subsequent to the year end) and exploration expenditures of \$1,000,000 over a 4 year period. If commercial production is reached an additional 250,000 shares are due to the vendor. During the current year \$12,500 was paid to the optionor in respect of trenching costs previously incurred.

**j) Hunter Gold Property**

Option agreement to acquire a 100% interest in the Hunter Gold Property, located in Catharine Township, Ontario. Consideration for the property consists of \$45,000 cash over three years, 250,000 common shares (75,000 issued subsequent to the year end) and a work commitment of \$75,000 over a 3 year period. There is a 2% net smelter return payable to the optionor of which half may be purchased for \$500,000 and an additional 0.5% may be purchased for an additional \$500,000. There is an underlying royalty on portions of the property ranging from 2 to 4%.

**k) Chapleau Property**

Acquisition agreement with a company related by common directorship to acquire a fifty (50%) percent working interest in 34,900 acres of prospective kimberlite ground in the Chapleau area of Ontario. The Company agreed to pay for staking or leasing costs estimated to be approximately \$150,000. Upon payment of the acquisition cost a joint venture agreement will be formed with other participants to perform further exploration work on the property.

**4. Share Capital****a) Authorized**

Authorized share capital comprises an unlimited number of common shares without par value (2004 – 100,000,000). The shareholders of the Company passed a special resolution to change the authorized share structure from 100,000,000 common shares without par value to an unlimited number of common shares without par value pursuant to the new British Columbia Business Corporation Act.

**b) Issued and allotted**

	<b>Number of shares</b>	<b>Share amount</b>
Balance, October 31, 2002	5,128,401	\$ 3,503,804
Issued for		
Loan bonus	311,111	70,000
Issued for cash		
Private placements	4,480,715	960,200
Exercise of options	147,000	35,050
Share issuance costs	-	(71,200)
Income tax benefits renounced on flow-through shares	-	(128,765)
Balance, October 31, 2003	10,067,227	4,369,089

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**4. Share Capital (continued)**

**b) Issued and allotted (continued)**

	<b>Number of shares</b>	<b>Share amount</b>
Balance, October 31, 2003	10,067,227	4,369,089
Issued for		
Property acquisition	50,000	10,000
Issued for cash		
Private placements	4,400,000	1,475,000
Exercise of warrants	2,750,000	275,000
Shares for debt	4,730,688	614,989
Share issuance costs	-	(132,750)
Income tax benefits renounced on flow-through shares	-	(408,000)
Balance, October 31, 2004	21,997,915	6,203,328
Issued for		
Property acquisitions	1,095,000	103,525
Issued for cash		
Private placements	16,325,000	1,732,500
Share issuance costs, cash	-	(72,124)
Income tax benefits renounced on flow-through shares	-	(101,000)
<b>Balance, October 31, 2005</b>	<b>39,417,915</b>	<b>\$ 7,866,229</b>

**c) Private placements**

- (i) During fiscal 2003 the company issued 320,000 units for \$0.11 per unit, through a private placement, each unit comprised of one common share and one non-transferable warrant to purchase one common share at an exercise price of \$0.14 per share, exercisable until November 14, 2004.
- (ii) During fiscal 2003 the company issued 3,375,000 units for \$0.20 per unit through a private placement. Each unit comprised of one common share and one non-transferable warrant to purchase one common share at an exercise price of \$0.25 per share, exercisable until February 28, 2005. 1,625,000 of the units are flow-through shares and the remaining 1,750,000 shares are non-flow through shares.
- (iii) During fiscal 2003 the company issued 535,715 units for \$0.28 per unit through a private placement. Each unit comprised of one common share and one non-transferable warrant to purchase one common share at an exercise price of \$0.32 per share, exercisable until May 29, 2005.

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## Amador Gold Corp.

### Notes to the Financial Statements

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October 31, 2005

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#### 4. Share Capital (continued)

##### c) Private placements (continued)

- (iv) During fiscal 2003 the company issued 250,000 units for \$0.40 per unit through a private placement. Each unit comprised of one common share and one non-transferable warrant to purchase one common share at an exercise price of \$0.40 per share, exercisable until September 30, 2005.
- (v) During fiscal 2004 the company issued 3,100,000 flow-through units for \$0.35 per unit, and 1,300,000 non flow-through units for \$0.30 per unit through a private placement. Each unit comprised of one common share and one non-transferable warrant to purchase one common share, exercisable until December 22, 2005. The warrants issued with the flow-through shares are exercisable at \$0.35 and the warrants issued with the non flow-through shares are exercisable at \$0.30.
- (vi) During fiscal 2004 the company issued 4,730,688 units in settlement of debt each unit comprising one common share and one non-transferable warrant exercisable at \$0.13 per share for a period of 2 years. These units have been treated as allotted in these financial statements and were formally issued during fiscal 2005.
- (vii) During fiscal 2005 the company issued 500,000 units for cash of \$0.40 per unit, each unit comprised of two flow-through common shares, one non-flow-through common share, and three non-transferable warrants, each warrant to purchase one common share at an exercise price of \$0.14 per share, exercisable until December 8, 2006.
- (viii) During fiscal 2005 the company issued 1,000,000 units for cash of \$0.15 per unit, each unit comprised of one flow-through common share and one-half of a non-transferable warrant, each full warrant to purchase one non-flow-through common share at an exercise price of \$0.20 per share, exercisable for a period of 12 months. The company paid an advisory fee of \$12,000 and issued 100,000 warrants. Each broker warrant entitles the holder thereof to purchase one common share at a price of \$0.15 until December 30, 2005. The fair value of the broker warrants has been estimated using the Black-Scholes pricing option model. The assumptions used for the valuation of the respective warrants were: Dividend yield 0%, expected volatility 72%, a risk-free interest rate of 3.06% and an expected life of one year. The value assigned to the 100,000 broker warrants was \$3,000.
- (ix) During fiscal 2005 the company issued 1,000,000 units for cash of \$0.10 per unit, each unit comprised of one common share and one non-transferable warrant, each warrant to purchase one common share at an exercise price of \$0.10 per share, until March 23, 2007. The company paid a finders fee of \$8,550, and other share issue costs of \$1,075.
- (x) During fiscal 2005 the company issued 750,000 units for cash of \$0.10 per unit, each unit comprised of one common share and one non-transferable warrant, each warrant to purchase one common share at an exercise price of \$0.10 per share, until June 3, 2007.

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**4. Share Capital (continued)**

**c) Private placements (continued)**

- (xi) During fiscal 2005 the company issued 3,960,000 flow-through units and 8,115,000 non-flow-through units for cash of \$0.10 per unit, each unit comprised of one common share and one non-transferable share purchase warrant, each warrant to purchase one non-flow-through common shares at an exercise price of \$0.10 per share, until October 7, 2007. Subscriptions receivable of \$167,000 (including \$9,500 from directors and \$50,000 from an entity directed by a director) subsequent to the year-end.

**d) Options outstanding**

	Number of options	Exercise price
Outstanding and exercisable at October 31, 2002	340,000	\$ 0.10
Options granted	170,000	0.23
Options granted	372,000	0.25
Options granted	50,000	0.30
Options exercised	(85,000)	0.23
Options exercised	(62,000)	0.25
Outstanding and exercisable at October 31, 2003	785,000	
Options granted	500,000	0.56
Outstanding and exercisable at October 31, 2004	1,285,000	
Options expired	(217,000)	0.10-0.25
Options granted	1,510,000	0.10
<b>Outstanding at October 31, 2005</b>	<b>2,578,000</b>	

As at October 31, 2005 there were 2,578,000 (2004 – 1,285,000) options outstanding as follows:

Expiry date	Exercise price	Number of options
October 8, 2007	\$0.10	255,000
December 18, 2007	(re-priced from \$0.23) \$0.20	85,000
March 2, 2008	(re-priced from \$0.25) \$0.20	248,000
June 16, 2008	(re-priced from \$0.30) \$0.20	50,000
January 5, 2009	(re-priced from \$0.56) \$0.20	430,000
July 28, 2010	\$0.10	1,510,000

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**Amador Gold Corp.**  
**Notes to the Financial Statements**

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**October 31, 2005**

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**4. Share Capital (continued)****e) Warrants outstanding**

As at October 31, 2005 there were 25,055,688 (2004 – 13,611,403) warrants outstanding as follows:

Expiry date	Exercise price	Number of warrants
December 22, 2005	(expired subsequent) \$0.30	1,300,000
December 22, 2005	(expired subsequent) \$0.35	3,100,000
December 22, 2006	\$0.13	4,730,688
December 30, 2005	(expired subsequent) \$0.20	500,000
December 30, 2005	(expired subsequent) \$0.15	100,000
December 8, 2006	\$0.14	1,500,000
March 23, 2007	\$0.10	1,000,000
June 3, 2007	\$0.10	750,000
October 7, 2007	\$0.10	12,075,000

**f) Escrow shares**

As at October 31, 2005 there were 25,000 (2004 – 25,000) shares held in escrow. Release of these shares is subject to approval of regulatory authorities.

**g) Stock based compensation**

The company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, officers, and employees to acquire up to 10% of issued and outstanding common stock. As disclosed in note 2 (h) the company has prospectively adopted the recommendations of the CICA with respect to stock-based compensation.

The company issued 1,510,000 options during fiscal 2005. Using the assumptions below the fair value of each option granted is \$0.04, compensation expense of \$60,000 was recorded in operations and credited to Contributed Surplus.

Dividend rate	0.00%	Expected life	3 years
Risk-free interest rate	2.99%	Expected volatility	96%

The company re-priced 383,000 options outstanding from 2002, 2003 with exercise prices of \$0.23-\$0.30. The weighted average fair value of each option using the below assumptions was \$0.05, compensation expense of \$19,000 has been recorded in operations and credited to Contributed surplus.

Dividend rate	0.00%	Expected life	2.25-3.33 years
Risk-free interest rate	3.15%	Expected volatility	99%

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**Amador Gold Corp.**  
**Notes to the Financial Statements**

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**October 31, 2005**

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**4. Share Capital (continued)****g) Stock based compensation (continued)**

The company issued 500,000 options during fiscal 2004. Using the assumptions below the fair value of each option granted is \$0.32, compensation expense of \$144,000 was recorded in the operations, and additional compensation expense of \$16,000 was recorded as deferred expenditures on the Kenora Property (note 3(a)) for the year. During fiscal 2005 these options were re-priced to \$0.20, as the fair value at the time of re-price was less than the fair value previously expensed no additional compensation expense was recorded.

Dividend rate	0.00%	Expected life	3 years
Risk-free interest rate	3.92%	Expected volatility	72%

The company issued 50,000 options to a consultant during fiscal 2003. Using the assumptions below the fair value of each option granted was \$0.22. Compensation expense of \$11,000 was recorded as deferred expenditures on the Kenora Property (note 3(a)) during fiscal 2003.

Dividend rate	0.00%	Expected life	5 years
Risk-free interest rate	4.08%	Expected volatility	100%

The company issued options 542,000 to directors during fiscal 2003. In accordance with CICA standards in those years the fair value \$96,180, as determined on the below weighted average assumptions, was disclosed, but no compensation expense was recorded.

Dividend rate	0.00%	Expected life	5 years
Risk-free interest rate	4.04%	Expected volatility	100%

The pro forma effect on net loss per share for the period ended October 31, 2003 of the actual results had the company accounted for the stock options granted to directors and employees using the fair value method is as follow:

Net loss for the year	\$ (524,419)
Unrecorded stock option compensation	(96,180)
<hr/>	
Proforma loss for the period	\$ (620,599)
<hr/>	
Proforma loss per share	\$ (0.08)

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.

**5. Related Party Transactions**

- a) During the year the company recorded management fees of \$137,000 (2004 - \$27,000; 2003 - \$44,000) to companies controlled by directors of the company. At October 31, 2005 \$NIL (2004 - \$10,688) was owed.

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**5. Related Party Transactions** (continued)

b) During the year, fees for consulting services in the amount of \$47,655 (2004 - \$32,164; 2003 - \$29,232) were paid to a company controlled by an officer of the company. At October 31, 2005 \$4,280 (2004 - \$ NIL) was owed.

**6. Commitments**

By agreement dated June 1, 2005, the company entered into an administrative services agreement with a company controlled by a director and officer. A management fee was payable at \$20,000 per month until December 31, 2005. The agreement was renewed for a one-year term on January 1, 2006 at a minimum monthly management fee of \$35,000, a maximum monthly fee of \$45,000 in higher activity periods and a reimbursement of actual out-of-pocket costs plus 5% for administrative overhead.

**7. Income Taxes**

As at October 31, 2005, the company has income tax losses of approximately \$1,227,000 (2004 - \$976,000; 2003 - \$325,000) expiring between 2004 and 2015. If the losses are used to offset future taxable income, the tax savings will be recorded in the year the loss is applied.

The company also has resource pools available which have no expiry date and the amounts therein are available to reduce future taxable resource income in Canada. The amount in each pool and the percentage of the balance allowed per year to reduce taxable income is as follows:

	Amount	Rate
\$	321,000	100%
\$	1,642,000	30%

Future tax benefits, which may arise as a result of applying these deductions to taxable income, have not been recognized in these accounts.

**8. Supplemental Cash Flow Information**

The following non-cash transactions were recorded during the year ended:

<b>October 31,</b>	<b>2005</b>	2004	2003
Investing activities			
Mineral property acquisition	\$ 103,525	\$ 10,000	\$ -
Stock based compensation capitalized to deferred exploration	-	16,000	11,000
	<b>\$ 103,525</b>	<b>\$ 26,000</b>	<b>\$ 11,000</b>
Financing activities			
Share for debt settlement, principal	\$ -	\$ 562,500	\$ -
Share for debt settlement, interest	-	52,489	-
Shares issued for financing fees	-	-	70,000
Stock based compensation included in Share Capital	42,500	-	-
Stock based compensation included in Contributed Surplus	82,000	160,000	11,000
	<b>\$ 124,500</b>	<b>\$ 774,989</b>	<b>\$ 81,000</b>

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**9. Subsequent Events**

- a) Subsequent to year end the company granted 1,331,000 options exercisable at \$0.10 per share on or before November 17, 2010 and 635,000 options exercisable at \$0.10 per share on or before February 1, 2010.
- b) Subsequent to the year end 5,000,000 warrants expired unexercised.
- c) On January 18, 2006, the company closed a private placement consisting of 5,650,000 units (of which 2,300,000 are flow-through units) at a price of \$0.10 per unit, for aggregate proceeds of \$565,000. Each unit is comprised of one common share and one non-transferable share purchase warrant entitling the holders to purchase one additional common share at a price of \$0.10 per share on or before January 17, 2008.

**10. Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP")**

These financial statements are prepared in accordance with GAAP in Canada, which differ in some respects from GAAP in the United States. The material differences between Canadian and United States GAAP, in respect of these financial statements, are as follows:

**a) Mineral property exploration and development**

Under United States GAAP, all mineral exploration and development property expenditures are expensed in the year incurred in an exploration stage company until there is substantial evidence that a commercial body of ore has been located. Canadian GAAP allows resource exploration and development property expenditures to be deferred during this process.

United States GAAP also requires a separate statement for Stockholders' Equity whereas Canadian GAAP does not.

The effects on the company's financial statements are summarized below:

	<b>October 31, 2005</b>	For the years ended October 31, 2004	October 31, 2003
Statement of Operations and Deficit			
Net loss for the year under:			
Canadian GAAP	\$ (339,777)	\$ (527,212)	\$ (524,419)
Add: Write-down of properties	-	-	158,990
Less: Mineral property exploration and development expenditures	(1,060,062)	(1,455,820)	(1,003,000)
United States GAAP	\$ (1,399,839)	\$ (1,983,032)	\$ (1,368,429)
Loss per share – United States GAAP	\$ (0.06)	\$ (0.14)	\$ (0.17)

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**10. Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") (continued)**

**a) Mineral property exploration and development (continued)**

	October 31, 2005	For the years ended October 31, 2004	October 31, 2003
Balance Sheet			
Assets			
Mineral Properties			
Canadian GAAP	\$ 3,526,941	\$ 2,466,879	\$ 1,011,059
Resource property expenditures (cumulative)	(3,526,941)	(2,466,879)	(1,011,059)
United States GAAP	\$ -	\$ -	\$ -
Stockholders' Equity			
Canadian GAAP	\$ 3,680,628	\$ 2,442,504	\$ 567,477
Resource property expenditures (cumulative)	(3,526,941)	(2,466,879)	(1,011,059)
United States GAAP	\$ 153,687	\$ (24,375)	\$ (443,582)

**b) Stock based compensation**

In December 2004, the United States Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123R, "Share Based Payment". SFAS 123R is a revision of SFAS No. 123 "Accounting for Stock-Based Compensation", and supersedes Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees" and its related implementation guidance. SFAS 123R establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. SFAS 123R focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award - the requisite service period (usually the vesting period). SFAS 123R requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. Public entities that file as small business issuers will be required to apply SFAS 123R in the first interim or annual reporting period that begins after December 15, 2005.

Effective November 1, 2003 the company commenced stock-based compensation accounting in accordance with SFAS 123. Accordingly, compensation cost for stock options is measured at fair value of the option granted. The company has determined that compliance with No. SFAS 123R in the future does not have a material impact on the company's October 31, 2005 financial statements. The 2003 comparative figures have been shown using APB 25 disclosure only.

**October 31, 2005**

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**10. Differences between Canadian and United States Generally Accepted Accounting Principles (“GAAP”) (continued)**

**b) Stock based compensation (continued)**

The company accounts for stock-based compensation issued to non-employees in accordance with the provisions of SFAS 123 and the consensus in Emerging Issues Task Force No. 96-18, “Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services”.

**c) Loss per share**

Under both Canadian and United States generally accepted accounting principles basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

Under United States generally accepted accounting principles, the weighted average number of common shares outstanding excludes any shares that remain in escrow, but may be earned out based on the company incurring a certain amount of exploration and development expenditures. The weighted average number of shares outstanding under United States generally accepted accounting principles for the years ended October 31, 2004, 2003, and 2002 were 14,520,967, 7,868,541 and, 2,480,267, respectively.

**d) New accounting pronouncements**

In December 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 148, “Accounting for Stock-Based Compensation – Transition and Disclosure”. SFAS 148 amends SFAS No. 123, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS 148 is effective for fiscal years beginning after December 15, 2002. The interim disclosure provisions are effective for financial reports containing financial statements for interim periods beginning after December 15, 2002. The company adopted SFAS No. 148, as required, on November 1, 2003 with no material impact on its financial statements.

In May 2003, FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity”. SFAS 153 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for periods beginning after June 15, 2003, except for certain mandatory redeemable non-controlling interests.

In December 2004, FASB issued SFAS No. 153, “Exchanges of Non-monetary Assets”. SFAS 153 amends APB Opinion No. 29, to eliminate certain exceptions when there are non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. This amendment is effective for periods beginning after June 15, 2005.

The adoption of these new pronouncements is not expected to have a material effect on the company’s financial position or results of operations.

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**10. Differences between Canadian and United States Generally Accepted Accounting Principles (“GAAP”) (continued)**

**e) Cumulative inception to date information**

Statement of Financial Accounting Standards No. 7, “Accounting and Reporting by Development Stage Enterprises” requires mining companies in the exploration stage to report additional cumulative information from inception. The company changed its business in August 2002 and entered the mining exploration business. Cumulative inception to date information is as follows:

<b>Balance Sheets</b>	<b>Cumulative amounts from inception</b>	
<b>Shareholders’ Equity (Stockholders’ Equity)</b>		
<b>Share capital</b>	<b>Number of shares</b>	<b>Share amount</b>
Issued for		
Loan bonus	311,111	\$ 70,000
Property acquisition	1,145,000	113,525
Issued for cash		
Private placements	25,205,715	4,167,700
Exercise of options	2,897,000	310,050
Shares for debt	4,730,688	614,989
Share issuance costs		(276,074)
Income tax benefits renounced on flow-through shares		(637,765)
	<b>34,289,514</b>	<b>\$ 4,362,425</b>
<b>Contributed surplus</b>		<b>\$ 253,000</b>
<b>Share subscriptions receivable</b>		<b>\$ (167,000)</b>
<b>Deficit accumulated during the exploration stage</b>		<b>\$ (854,643)</b>
<b>Statements of Operations</b>		
		<b>Cumulative amounts from inception</b>
<b>Administrative expenses</b>		
Bank charges		\$ 3,060
Consulting fees		183,302
Amortization		740
Financing fees		102,500
Interest on debt		74,527
Investor relations and promotion		227,784
Legal and accounting		191,647
Management fees		208,000
Office and miscellaneous		32,154
Part XII.6 penalty tax		3,800
Regulatory fees		79,656
Transfer agent fees		25,514
Stock based compensation		223,000
Recovery of prior year expenses		(1,690)
Less: interest earned		(8,788)
<b>Write off of mineral property expenditures</b>		<b>147,202</b>
<b>Future income tax benefit recognized on issuance of flow through shares</b>		<b>(101,000)</b>
<b>Net loss from inception</b>		<b>\$ (1,391,408)</b>

**Amador Gold Corp.**  
**Notes to the Financial Statements**

**October 31, 2005**

**10. Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") (continued)**

**e) Cumulative inception to date information (continued)**

<b>Statements of Cash Flows</b>	<b>Cumulative amounts from inception</b>
<b>Cash provided by (used for)</b>	
<b>Operating activities</b>	
Net loss from inception	\$ (1,391,408)
Add items not affecting cash:	
Amortization	740
Financing fee	70,000
Future income tax benefit recognized on issuance of flow through shares	(101,000)
Write off of mineral property expenditures	158,990
Stock based compensation	223,000
Change in non-cash working capital items:	
Goods and services tax recoverable	(3,309)
Prepaid expenses	(483)
Accounts payable	59,778
	<b>(983,692)</b>
<b>Financing activities</b>	
Loans received	187,500
Repayment of loans	(100,000)
Promissory note issued	350,000
Advances from related parties	4,280
Issuance of share capital	4,313,750
Share issuance costs, cash	(276,074)
	<b>4,479,456</b>
<b>Investing activities</b>	
Purchase of equipment	(1,826)
Acquisition of mineral properties	(1,512,190)
Deferred exploration expenditures	(1,860,530)
	<b>(3,374,546)</b>
<b>Net increase in cash and cash equivalents</b>	<b>\$ 121,218</b>

## Amador Gold Corp.

### Schedules of Mineral Property Expenditures

For the year ended October 31, 2005

	Kenora Group	Red Lake Group	Silverstrike Group	Ajax Group	Magnum	Teta- gouche	Mennin Lake	Frripp	Connor Creek	Hunter Gold	Chapleau	Total
<b>Acquisition costs</b>												
Opening balance	\$ 915,082	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 933,082
Staking costs	6,145	-	-	20,000	-	-	-	-	-	-	-	26,145
Option payments cash	318,000	14,000	45,632	85,568	50,000	10,000	12,000	5,662	-	1,800	475	543,137
Option payments shares	10,000	10,000	20,150	30,000	24,000	2,250	4,000	3,125	-	-	-	103,525
Finder's fees cash	12,930	-	-	-	-	-	-	-	-	-	-	12,930
Closing balance	1,262,157	42,000	65,782	135,568	74,000	12,250	16,000	8,787	-	1,800	475	1,618,819
<b>Deferred exploration</b>												
Opening balance	1,533,797	-	-	-	-	-	-	-	-	-	-	1,533,797
Consulting	32,861	-	-	-	-	-	-	-	-	-	-	32,861
Drilling	3,500	-	-	-	-	12,109	-	-	-	-	-	15,609
Geological	3,584	-	-	93,712	-	-	-	-	-	-	-	97,296
Line cutting	32,862	-	-	-	-	-	-	-	-	-	-	32,862
Mapping and sampling	87,478	-	-	-	-	-	-	-	-	-	-	87,478
Miscellaneous	43,555	-	600	438	40,392	-	8,547	-	-	-	-	93,532
Surveying	2,187	-	-	-	-	-	-	-	-	-	-	2,187
Trenching	-	-	-	-	-	-	-	-	12,500	-	-	12,500
Closing balance	1,739,824	-	600	94,150	40,392	12,109	8,547	-	12,500	-	-	1,908,122
<b>Balance, end of year</b>	<b>\$ 3,001,981</b>	<b>\$ 42,000</b>	<b>\$ 66,382</b>	<b>\$ 229,718</b>	<b>\$ 114,392</b>	<b>\$ 24,359</b>	<b>\$ 24,547</b>	<b>\$ 8,787</b>	<b>\$ 12,500</b>	<b>\$ 1,800</b>	<b>\$ 475</b>	<b>\$ 3,526,941</b>

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**Amador Gold Corp.****Schedules of Mineral Property Expenditures**

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**For the year ended October 31, 2004**

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	<b>Maskootch Lake Property</b>	<b>Todd Township Property</b>	<b>Kenora Claims</b>	<b>Total</b>
Acquisition costs				
Opening balance	\$ -	\$ -	\$ 552,500	\$ 552,500
Staking costs	-	-	4,100	4,100
Option payments - cash	5,000	3,000	300,000	308,000
Option payments - shares	5,000	5,000	-	10,000
Finder's fees - cash	-	-	58,482	58,482
Closing balance	10,000	8,000	915,082	933,082
Deferred exploration expenditures				
Opening balance	-	-	458,559	458,559
Camp	-	-	35,231	35,231
Consulting	-	-	134,014	134,014
Drilling	-	-	835,358	835,358
Mapping and sampling	-	-	38,252	38,252
Miscellaneous	-	-	21,956	21,956
Surveying	-	-	10,427	10,427
Closing balance	-	-	1,533,797	1,533,797
Balance, end of year	\$ 10,000	\$ 8,000	\$ 2,448,879	\$ 2,466,879

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