

**Amador Gold Corp.**  
**Consolidated Financial Statements**  
**(Expressed in Canadian Dollars)**  
**October 31, 2007 and 2006**



## AUDITORS' REPORT

To the Shareholders of  
AMADOR GOLD CORP.

We have audited the consolidated balance sheets of Amador Gold Corp. as at October 31, 2007 and 2006, and the consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2007 and 2006, and the results of its operations and its cash flows for each of the years in the three-year period ended October 31, 2007 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

"Morgan & Company"

February 19, 2008

Chartered Accountants

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

The reporting standards of the Public Company Accounting Oversight Board (United States) 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 consolidated financial statements. Our report to the shareholders, dated February 19, 2008, 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 consolidated financial statements.

Vancouver, Canada

"Morgan & Company"

February 19, 2008

Chartered Accountants

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

	October 31, 2007	October 31, 2006
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,099,339	\$ 540,099
Accounts receivable	136,241	30,055
Prepaid expenses	13,979	2,318
	<b>1,249,559</b>	<b>572,472</b>
<b>Mineral Properties</b> (Note 3 and schedule)	<b>6,351,417</b>	<b>2,083,357</b>
<b>Exploration Advances</b> (Note 4)	<b>20,000</b>	<b>3,385</b>
<b>Equipment</b>	<b>-</b>	<b>760</b>
	<b>\$ 7,620,976</b>	<b>\$ 2,659,974</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 356,327	\$ 62,204
Due to related parties (Note 5)	437,080	46,677
	<b>793,407</b>	<b>108,881</b>
<b>Shareholders' Equity</b>		
<b>Share Capital</b>	<b>14,859,054</b>	<b>10,480,845</b>
<b>Contributed Surplus</b>	<b>672,244</b>	<b>539,250</b>
<b>Deficit</b>	<b>(8,703,729)</b>	<b>(8,469,002)</b>
	<b>6,827,569</b>	<b>2,551,093</b>
	<b>\$ 7,620,976</b>	<b>\$ 2,659,974</b>

Going Concern (Note 1)  
 Commitments (Note 7)

**Approved on behalf of the Board of Directors:**

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 "Alan D. Campbell" Director

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 "Lynn W. Evoy" Director

- See Accompanying Notes -

**Amador Gold Corp.**  
**Consolidated Statements Of Operations And Comprehensive Loss**

For The Years Ended October 31,	2007	2006	2005
<b>Administrative Expenses</b>			
Amortization	\$ 760	\$ 326	\$ 466
Consulting fees	290,683	290,461	107,551
Investor relations and promotion	88,098	30,103	17,370
Legal and accounting	40,628	79,028	49,033
Management fees	496,615	395,760	137,000
Office expenses and miscellaneous	10,002	13,551	13,407
Part XII.6 tax	105,322	9,056	-
Regulatory fees	45,791	36,000	28,982
Stock based compensation	140,000	286,000	79,000
Transfer agent fees	14,013	19,029	8,587
<b>Loss Before Other Income (Expense) And Income Taxes</b>	<b>(1,231,912)</b>	<b>(1,159,314)</b>	<b>(441,396)</b>
<b>Other Income (Expense)</b>			
Write-off of mineral property expenditures	(201,627)	(3,261,819)	-
Interest income	21,536	43	619
<b>Loss Before Income Taxes</b>	<b>(1,412,003)</b>	<b>(4,421,090)</b>	<b>(440,777)</b>
<b>Future Income Tax Recovery</b>	<b>1,177,276</b>	<b>223,689</b>	<b>101,000</b>
<b>Net Loss And Comprehensive Loss For The Year</b>	<b>\$ (234,727)</b>	<b>\$ (4,197,401)</b>	<b>\$ (339,777)</b>
<b>Loss Per Share – Basic and diluted</b>	<b>(0.00)</b>	<b>(0.08)</b>	<b>(0.01)</b>
<b>Weighted Average Number Of Shares Outstanding</b>	<b>75,480,173</b>	<b>50,996,691</b>	<b>26,010,641</b>

- See Accompanying Notes -

**Amador Gold Corp.**  
**Consolidated Statements Of Shareholders' Equity**

For The Years Ended October 31, 2007, 2006 and 2005

	SHARE CAPITAL		CONTRIBUTED SURPLUS	DEFICIT	TOTAL
	NUMBER	AMOUNT			
Balance, October 31, 2004	21,997,915	\$ 6,203,328	\$ 171,000	\$ (3,931,824)	\$ 2,442,504
Issue of shares for mineral properties	1,095,000	103,525	-	-	103,525
Issue of shares for cash, private placements	16,325,000	1,732,500	-	-	1,732,500
Share issuance costs	-	(72,124)	3,000	-	(69,124)
Stock based compensation	-	-	79,000	-	79,000
Tax benefits renounced on flow-through shares	-	(101,000)	-	-	(101,000)
Net loss for the year	-	-	-	(339,777)	(339,777)
Share subscriptions receivable	-	(167,000)	-	-	(167,000)
Balance, October 31, 2005	39,417,915	7,699,229	253,000	(4,271,601)	3,680,628
Subscriptions receivable collected	-	167,000	-	-	167,000
Cancellation of escrow shares	(25,000)	(250)	250	-	-
Issue of shares for mineral properties	1,675,000	246,200	-	-	246,200
Issue of shares for cash, private placements	19,117,833	2,585,175	-	-	2,585,175
Share issuance costs	-	(84,520)	-	-	(84,520)
Warrants exercised for cash	815,000	91,700	-	-	91,700
Stock based compensation	-	-	286,000	-	286,000
Tax benefits renounced on flow-through shares	-	(223,689)	-	-	(223,689)
Net loss for the year	-	-	-	(4,197,401)	(4,197,401)
Balance, October 31, 2006	61,000,748	10,480,845	539,250	(8,469,002)	2,551,093
Issue of shares for mineral properties	1,470,000	309,175	-	-	309,175
Issue of shares for cash, private placements					
Flow-through shares	15,565,000	1,867,800	-	-	1,867,800
Non flow-through shares	14,495,000	1,846,250	-	-	1,846,250
Share issuance costs	-	(130,196)	-	-	(130,196)
Warrants exercised for cash	15,493,500	1,628,200	-	-	1,628,200
Stock options exercised for cash	345,000	37,250	-	-	37,250
Fair value of stock options exercised	-	7,006	(7,006)	-	-
Stock based compensation	-	-	140,000	-	140,000
Tax benefits renounced on flow-through shares	-	(1,177,276)	-	-	(1,177,276)
Net loss and comprehensive loss for the year	-	-	-	(234,727)	(234,727)
Share subscriptions receivable	-	(10,000)	-	-	(10,000)
<b>Balance, October 31, 2007</b>	<b>108,369,248</b>	<b>\$ 14,859,054</b>	<b>\$ 672,244</b>	<b>\$ (8,703,729)</b>	<b>\$ 6,827,569</b>

**Amador Gold Corp.**  
**Consolidated Statements Of Cash Flows**

For The Years Ended October 31,	2007	2006	2005
<b>Cash Provided By (Used For)</b>			
<b>Operating Activities</b>			
Net loss and comprehensive loss for the year	\$ (234,727)	\$ (4,197,401)	\$ (339,777)
Add items not affecting cash:			
Amortization	760	326	466
Future income tax recovery	(1,177,275)	(223,689)	(101,000)
Write-off of mineral property expenditures	201,627	3,261,819	-
Stock based compensation	140,000	286,000	79,000
Changes in non-cash operating assets and liabilities:			
Tax credits recoverable	-	-	12,909
Accounts receivable	(106,186)	(14,017)	(9,450)
Prepaid expenses	(11,661)	(1,835)	5,117
Accounts payable and accrued liabilities	(327,572)	(21,165)	(20,008)
Due to related parties	390,403	-	(6,408)
	<b>(1,124,631)</b>	<b>(909,962)</b>	<b>(372,743)</b>
<b>Financing Activities</b>			
Issuance of share capital	5,369,500	2,843,875	1,568,501
Share issuance costs	(130,196)	(84,520)	(72,125)
	<b>5,239,304</b>	<b>2,759,355</b>	<b>1,489,968</b>
<b>Investing Activities</b>			
Exploration advances	(16,615)	(3,385)	-
Mineral property acquisition and exploration expenditures	(3,538,818)	(1,495,250)	(950,901)
	<b>(3,555,433)</b>	<b>(1,498,635)</b>	<b>(950,901)</b>
<b>Net Increase In Cash And Cash Equivalents</b>	<b>559,240</b>	<b>350,758</b>	<b>166,324</b>
<b>Cash And Cash Equivalents, Beginning Of Year</b>	<b>540,099</b>	<b>189,341</b>	<b>23,017</b>
<b>Cash And Cash Equivalents, End Of Year</b>	<b>\$ 1,099,339</b>	<b>\$ 540,099</b>	<b>\$ 189,341</b>
<b>Supplemental Cash Flow Information And Disclosure Of Non-Cash Financing and Investing Activities</b>			
Interest paid	\$ 105,322	\$ 9,056	\$ -
Income taxes paid	\$ -	\$ -	\$ -
<b>Financing And Investing Activities</b>			
Warrants issued for share issuance costs	\$ -	\$ -	\$ 3,000
Shares Issued for Mineral Property Acquisition	\$ 309,175	\$ 246,200	\$ 103,525

- See Accompanying Notes -

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

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**October 31, 2007 and 2006**

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**1. Nature of Operations and Going Concern**

Amador Gold Corp. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada. The Company is a public company listed on the TSX Venture Exchange (the "TSX.V"), trading under the "AGX" symbol. The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in the Provinces of Ontario, and British Columbia, Canada.

These consolidated financial statements have been prepared in accordance with Canadian 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 consolidated 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 net loss of \$234,727 (2006 - \$4,197,401; 2005 - \$339,777) and has an accumulated deficit of \$8,703,729 (2006 - \$8,469,002; 2005 - \$4,271,601). The Company is in the process of acquiring, exploring and developing its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production. 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 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**

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles.

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Diamondcorp Resources Inc., incorporated British Columbia on August 2, 2006.

b) Variable interest entities

The CICA issued Accounting Guideline 15, "Consolidation of Variable Interest Entities", to provide accounting guidance related to variable interest entities ("VIE"). A VIE is an entity in which equity investors do not have the characteristics of a "controlling financial interest" or there is not sufficient equity at risk for the entity to finance its activities without additional subordinates financial support. When a VIE is determined to exist, the guidance requires the VIE to be consolidated by the primary beneficiary. The Company has determined that it does not have a primary beneficiary interest in a VIE.

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

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**October 31, 2007 and 2006**

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

c) Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, resource property carrying values and determination of fair value for stock based compensation and transactions. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years could differ from these estimates.

d) Financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, exploration advances, accounts payable and accrued liabilities, and amounts due to related parties. 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.

e) Foreign currency translation

Currency transactions and balances are translated into the Canadian dollar reporting currency using the temporal method as follows:

- i) Monetary items are translated at the rates prevailing at the balance sheet date;
- ii) Non-monetary items are translated at historical rates;
- iii) Revenues and expenses are translated at the average rates in effect during applicable accounting periods, except amortization, which is translated at historical rates;
- iv) Gains and losses on foreign currency translation are reflected in the consolidated statements of operations and comprehensive loss.

f) 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.

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

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**October 31, 2007 and 2006**

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

g) Mineral properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are deferred and capitalized 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 capitalized exploration costs are written off.

Recorded costs of mineral properties and capitalized exploration and development expenditures are not intended to reflect present or future values of resource properties. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, changes in future conditions could require a material change in the recorded amounts.

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.

h) Equipment and amortization

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

i) Impairment of long-lived assets

The Company follows the recommendations in CICA Handbook Section 3063 – "Impairment of Long-Lived Assets" and the CICA's Emerging Issues Committee ("EIC") emerging extract EIC-126 – "Accounting by Mining Enterprises for Exploration Costs". Section 3063 requires that the Company review long-lived assets, including mining properties for impairment. Long-lived assets are assessed for impairment when events and circumstances warrant. EIC-126 consensus is that a mining enterprise in the development stage is not obliged to conclude that capitalized costs have been impaired due to the absence of a projected estimated future net cash flow from the mining enterprise. Mineral properties in the development stage do not have established mineral reserves and a basis for the preparation of a projection of the estimated future net cash flow from the properties does not exist. However, a mining enterprise is required to consider the conditions in Section 3063 for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired the capitalized costs is written down to the estimated recoverable amount.

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

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**October 31, 2007 and 2006**

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

j) Asset retirement obligations

The Company follows 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 amortization 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 of environmental remediation. Accretions and changes in estimates are accounted for prospectively in the consolidated statement of operations and comprehensive loss commencing in the period revisions are made.

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.

As at October 31, 2007, the Company did not have asset retirement obligations.

k) Share capital

i) Non-monetary consideration - Shares, agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors.

ii) Flow-through shares - Resource expenditure deductions for Canadian income tax purposes related to Canadian exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company follows the accounting prescribed by the CICA Emerging Issues Committee (“EIC”) in EIC-146 “Flow-through Shares”. On the date the expenditures are renounced, a future income tax liability and a corresponding reduction in the share capital is recorded. The future income tax liability is offset by available future income tax assets as a recovery of future income taxes.

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

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**October 31, 2007 and 2006**

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

k) Share capital (continued)

- iii) Stock based compensation - The Company measures the cost of the service received for all stock options made to consultants, employees and directors based on an estimate of fair value at the date of grant. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. Stock options which vest immediately are recorded at the date of grant. Stock options that vest over time are recorded over the vesting period using the straight line method. Stock options issued to outside consultants that vest over time are valued at the grant date and subsequently re-valued on each vesting date. Stock based compensation is recognized as expense or, if applicable, capitalized to mineral property costs with a corresponding increase in contributed surplus. On exercise of the stock option, consideration received and the estimated fair value previously recorded in contributed surplus is recorded as share capital.
- iv) Share issuance costs - Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

l) Income taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. The future income tax liabilities or assets are measured using tax rates and laws expected to apply in the periods that the temporary differences are expected to reverse. Valuation allowances are provided where (net) future income tax assets are not more likely than not to be realized.

m) Earnings per share

Basic earnings per share are calculated by dividing net income (loss) by the weighted average number of shares issued and fully paid. The calculations of earnings per share on a diluted basis are calculated using the treasury stock method which considers the potential exercise of outstanding financial instruments with equity purchase or conversion features.

n) Accounting policy changes

Effective November 1, 2006, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") relating to financial instruments under CICA Handbook Section 3855 *Financial instruments – Recognition and Measurement*, Section 3861 *Financial Instruments – Disclosure and Presentation*, Section 3865 *Hedges* and Section 1530 *Comprehensive Income*. As required by the transitional provisions of these new standards, these new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

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

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**October 31, 2007 and 2006**

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

n) Accounting policy changes (continued)

- i) CICA Section 3855, *Financial Instruments – Recognition and Measurement*, sets out criteria for the recognition and measurement of financial instruments. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered and most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statement of operations or accumulated other comprehensive income, depending on the classification of the related instruments.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the asset or liability. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if the requirements had always been in effect. Changes to the fair value of assets and liabilities prior to adoption are recognized by adjusting opening deficit or opening "other accumulated comprehensive income".

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification as follows: (1) held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in net earnings in the period in which they arise; (2) held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost and amortization of premiums or discounts and losses due to impairment are included in current period net earnings; (3) available-for-sale financial assets are measured at fair value and changes in fair value are included in "other comprehensive income" until the gain or loss is recognized in income; (4) all derivative financial instruments are measured at fair value, even when they are part of a hedging relationship and changes in fair value are included in net earnings in the period in which they arise, except for hedge transactions which qualify for hedge accounting treatment in which case gains and losses are recognized as other comprehensive income.

In accordance with this new standard, the Company has classified its cash and equivalents and short-term investments as held-for-trading. Amounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities and due to related parties are classified as other liabilities. Derivatives embedded in other financial instruments must be separated and measured at fair value. The Company currently does not have embedded derivatives.

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

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**October 31, 2007 and 2006**

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

n) Accounting policy changes (continued)

- ii) CICA Section 3861, *Financial Instruments – Disclosure and Presentation*, establishes the requirements for the disclosure and presentation of financial instruments and non-financial derivatives.
- iii) CICA Section 3865, *Hedging*, specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any financial instruments which qualify for hedge accounting.
- iv) CICA Section 1530, *Comprehensive Income*, specifies how comprehensive income is to be reported and presented. Comprehensive income is the change in the Company's shareholder equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains or losses on available-for-sale investments. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in other comprehensive income until such items are realized.

This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity.

As there were no other comprehensive income items, comprehensive loss for the year was equal to the net loss for the year.

Effective January 1, 2007, the Company adopted CICA Section 1506, Accounting Changes, effective for annual and interim periods beginning on or after January 1, 2007. The new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and the correction of errors. The disclosure is to include, on an interim and annual basis, a description and the impact on the Company on any new primary source of GAAP that has been issued but is not yet effective. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

o) Future accounting pronouncements

The following accounting pronouncements are applicable to future reporting periods. The Company is currently evaluating the effects of adopting these standards:

- i) On January 8, 2008, the CICA issued Section 3064, Goodwill and Intangible Assets. Section 3064, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets.

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

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**October 31, 2007 and 2006**

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

ii) On September 15 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. Section 1535, Capital Disclosures requires that a company disclose information that enables users of its financial statements to evaluate its objectives, policies and procedures for managing capital including disclosures of any externally imposed capital requirements and the consequences for non-compliance. The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

p) Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

**3. Mineral Properties**

a) Kenora Property Group, Ontario

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 40 patented claims and 2 mineral claims 60 kilometres west of Kenora, Ontario (the "KPM Property"). The agreement was amended in August 2004. Consideration, as amended, consisted 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. Finders fees to a maximum of \$300,000 was payable on this property of which \$103,282 was incurred.

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 (75,000 issued) and \$93,000 cash (\$33,000 paid) over a 4-year period. In addition, the property is subject to a 1.25% NSR ("NSR") in favour of the optionor. The Company may purchase 0.5% of the royalty for \$500,000.

During the year ended October 31, 2006, the Company abandoned and wrote off all costs incurred with respect to the Kenora Property Group.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

b) Red Lake Property Group, Ontario

i) Todd Township Property

On June 23, 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 (100,000 issued) and \$69,000 cash (\$39,000 paid) over a 4 year period. In addition, the property is subject to a 2% NSR in favour of the optionor. The Company may purchase 1% of the royalty for \$600,000.

ii) Maskootch Lake Property

On June 23, 2004, the Company was granted an option to earn a 100% interest in the Maskootch Lake Property, approximately 32 claim units, 1280 acres, in the Red Lake Mining Division, Ontario. Consideration is the issuance of 100,000 common shares (100,000 issued) and \$88,000 cash (\$48,000 paid) over a 4 year period. In addition, the property is subject to a 2% NSR in favour of the optionor. The Company may purchase 1% of the royalty for \$1,000,000.

c) Silverstrike Property Group, Ontario

i) Silver Strike Property

On March 28, 2005, the Company entered into an option agreement to acquire a 100% interest in the Silver Strike Property, Ontario. Consideration is \$50,000 (\$30,000 paid), 150,000 common shares (90,000 issued) and \$80,000 in exploration expenses over 4 years. The property is subject to a 2% NSR with an option to buy back 1% for \$1,000,000.

ii) Silver Claim Property

On March 28, 2005, the Company entered into an option agreement to acquire a 100% interest in the Silver Claim Property, Ontario. Consideration is \$150,000 cash (\$50,000 paid), 200,000 common shares (150,000 issued) and \$200,000 in exploration expenses over 4 years. The property is subject to a 2% NSR with an option to buy back 1% for \$1,000,000.

iii) Capitol Silver Property

On June 21, 2005, the Company entered into an option agreement to acquire a 100% interest in the Capitol Silver Mine property, located approximately 4 km northeast of Gowganda, Ontario. Consideration is \$35,000 cash (\$20,000 paid) and 350,000 shares (200,000 issued) payable over 3 years. The Company must incur an aggregate of \$60,000 in exploration expenses on the property over 3 years. The property is subject to a 2% NSR. The Company may purchase 1% of the royalty for \$1,000,000.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

d) Donovan Basin Property Group, Ontario

i) Thompson Property

On March 28, 2005, the Company entered into an option agreement to acquire a 100% interest in the Thompson Property, Ontario. Consideration is \$30,000 (\$15,000 paid), 150,000 common shares (90,000 issued) and \$60,000 in exploration expenditures over 4 years. The property is subject to a 2% NSR with an option to buy back 1% for \$1,000,000.

ii) Kell Mine Property

On March 28, 2005, the Company entered into an option agreement to acquire a 100% interest in the Kell Mine Property, Ontario. Consideration is \$30,000 (\$15,000 paid), 150,000 common shares (90,000 issued) and \$60,000 in exploration expenses over 4 years. The property is subject to a 2% NSR with an option to buy back 1% for \$1,000,000.

iii) Hudson Bay Property

On June 21, 2005, the Company entered into an option agreement to acquire a 100% interest in the Hudson Bay Silver Mine Property, Ontario. Consideration is \$35,000 cash (\$20,000 paid), 300,000 common shares (200,000 issued) and \$60,000 in exploration expenses over 3 years. The property is subject to a 2% NSR, half of which can be purchased for \$1,000,000.

e) Ajax Property Group, Ontario

i) Ajax Property

On June 13, 2005, the Company entered into a purchase and sale agreement to acquire a 100% interest in the Ajax Property, Ontario. Consideration is \$80,000 cash (paid) and 300,000 common shares (300,000 issued). The property is subject to a 2% NSR with an option to buy back 1% for \$1,000,000.

On December 5, 2007, the Company entered into an option agreement with respect to land adjacent to the Ajax Property. Consideration is \$1,300,000 in four instalments by June 30, 2009 (\$100,000 paid). A NSR of between 3% and 5% is payable. The Company has the option to buy back 2.5% of the NSR for \$1,000,000.

ii) Banting Chambers Property

On July 22, 2005, the Company entered into an option agreement to acquire a 100% interest in the Banting Chambers Property, Ontario. Consideration is \$22,500 cash (paid), 150,000 shares (issued) over two years and \$110,000 in exploration expenditures over 3 years. A 2% NSR is payable on the property, half of which can be purchased for \$500,000.

iii) Strathy Property

On July 19, 2005, 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% NSR, which may be purchased for \$250,000 at any time.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

e) Ajax Property Group, Ontario (continued)

iv) Bompas Property

On December 9 2005, the Company acquired a 100% interest in 2 claims in the Bompas property. Consideration was \$10,000 cash (paid). The property is subject to a 2% NSR, half of which can be purchased for \$250,000.

f) Mennin Lake Property, Ontario

July 28, 2005, as amended on September 12, 2007, the Company entered into an option agreement to acquire a 100% interest in the Mennin Lake Property, Ontario. Consideration is \$142,000 (\$62,000 paid), 300,000 common shares (150,000 issued) and \$160,000 in exploration expenses over 4 years. The property is subject to a 2% NSR, 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.

g) Fripp Property, Ontario

August 22, 2005, the Company entered into an option agreement to acquire a 100% interest in the Fripp Property, Ontario for \$5,000 cash (paid), 100,000 common shares (75,000 issued) payable over 4 years, and \$20,000 in exploration by December 31, 2005 (completed). The property is subject to a 1% NSR of which half may be purchased for \$500,000.

h) Connor Creek Property, British Columbia

September 20, 2005, the Company entered into an option agreement with a public company related by common directors to acquire a 50% interest in the Connor Creek Property, located in Nelson Mining Division, British Columbia. Consideration is 400,000 common shares (250,000 issued) 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 fiscal 2005, \$12,500 was paid to the optionor in respect of trenching costs previously incurred.

i) Blackstock Property and Oke & Ford Property, Ontario

The Blackstock property and the Oke & Ford property were acquired by staking. There were no underlying agreements. The staking was done based on management's interpretation of geological structures found on the properties from government files.

j) Forge Lake Property, Ontario and Otter Pond Property, Ontario

i) Agreement with a public company related by common directors to acquire a 50% interest in the Forge Lake property. Consideration is \$58,500 payable over three years (\$34,000 paid), 40,000 shares of the related company to be reimbursed in cash by the Company, payable after three years, and a payment of \$100,000 and the issuance of 100,000 shares at the earlier of 90 days of sustained commercial production and six years from the date of the agreement. In addition, there is a royalty payable. Costs comprising annual cash payments, paying of taxes and minimum work expenditures will be split 50/50 and the Company will pay a 15% administration fee to the related company.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

j) Forge Lake Property, Ontario and Otter Pond Property, Ontario (continued)

ii) Agreement with a public company related by common directors to acquire a 47% interest in the Otter Lake property. Consideration is \$158,500 payable over four years (\$27,495 paid), 75,000 shares of the related company at the fair market value of the shares as at the time of issuance to be reimbursed by the Company over three years, a payment of \$100,000 and the issuance of 100,000 shares at the earlier of 90 days of sustained commercial production and six years from the date of the agreement. The Company is responsible for 47% of the costs incurred on this property.

k) Gould Copper Mine Property, Ontario

On May 18, 2006, the Company entered into an option agreement to acquire a 100% interest in the Gould Copper Mine Property, located in the Gould Township, Ontario. Consideration for the Property consists of \$50,000 cash (\$22,000 paid), 140,000 shares (50,000 issued), and a work commitment of \$100,000 over 4 years. There is a 2% NSR payable to the optionor of which half may be purchased for \$750,000.

l) Hunter Gold Property, Ontario

On September 19, 2005, the Company entered into an 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 (\$15,000 paid), 250,000 common shares (125,000 issued) and a work commitment of \$75,000 over a 3 year period. There is a 2% NSR payable to the optionor of which half may be purchased for \$500,000 and an additional 0.5% may be purchased for \$500,000. There is an underlying royalty on portions of the property ranging from 2 to 4%.

m) Chapleau Property, Ontario

On October 1, 2005, the Company entered into an acquisition agreement with a public company related by common directors to acquire a 50% working interest in 47,278 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 (paid) plus 15% for administration. Upon payment of the acquisition cost, an agreement was formed to perform further exploration work on a pro rata basis plus a 15% administration fee as disclosed in the related party note.

n) Willet Property, Ontario

On October 12, 2005, the Company entered into an option agreement to acquire a 100% interest in the Willet Property, located in Willet Township, Ontario. Consideration is \$30,000 cash (\$10,000 paid), 200,000 common shares (100,000 issued), and a work commitment of \$75,000 over a 3 year period. There is a 2% NSR payable to the optionor, of which half may be purchased for \$1,000,000.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

o) Savard & Sharpe Property, Ontario

On December 8, 2005, the Company entered into an option agreement to acquire a 100% interest in the Savard & Sharpe Property, located in Savard & Sharpe Township, Ontario. Consideration is \$175,000 cash over 3 years (\$25,000 paid). There is a 2% NSR payable to the optionor, of which half may be purchased for \$500,000.

p) Horwood Property Group, Ontario

i) Horwood Gold Property

On January 4, 2006, the Company entered into an option agreement to acquire a 100% interest in the Horwood Gold Property, located in Horwood Township, Ontario. Consideration is \$50,000 cash (\$30,000 paid) and 200,000 common shares (150,000 issued) over a 2 year period. There is a 3% NSR payable to the optionor, of which 2% may be purchased for \$1,000,000.

ii) Horwood Gold 2 Property

On January 4, 2006, the Company entered into an agreement to acquire a 100% interest in the Horwood Gold 2 Property, located in Horwood Township, Ontario. Consideration is \$6,000 (paid). There is a 2% NSR to the optionor, of which half may be purchased for \$500,000.

iii) Labbe Property

On January 4, 2006, the Company entered into an option agreement to acquire a 100% interest in the Labbe Property, located in Horwood Township, Ontario. Consideration is \$30,000 cash (\$15,000 paid) and 200,000 common shares (100,000 issued) over a 2 year period. There is a 3% NSR payable to the optionor, of which 2% may be purchased for \$1,000,000.

iv) Ross Windsor Property

On January 4, 2006, the Company entered into an option agreement to acquire a 100% interest in the Ross Windsor Property, located in Horwood Township, Ontario. Consideration is \$35,000 cash (\$10,000 paid) and 175,000 common shares (50,000 issued) over a 3 year period and incur and aggregate of \$120,000 in expenditures over 2 years. There is a 3% NSR payable to the optionor, of which 2% may be purchased for \$1,000,000.

q) East Breccia Property, Ontario

On March 1, 2006, the Company entered into an option agreement to acquire a 100% interest in the East Breccia Property, located approximately 65 km north of Saulte Ste. Marie in Nicolet Township, Ontario. Consideration is \$142,000 cash (\$37,000 paid), 300,000 shares (100,000 issued), and a work commitment of \$160,000 over four years. There is a 2% NSR payable to the optionor, which may be purchased for \$2,000,000. Commencing on the fifth anniversary of the agreement, advance royalty payments of \$15,000 are payable each year.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

r) Keith & Sewell Property Group, Ontario

On April 10, 2006, the Company entered into an option agreement to acquire a 100% interest in the Keith and Sewell Property, located in Keith and Sewell Townships, Ontario. Consideration for the Property consists of \$90,000 cash payable over 2 years (\$51,000 paid), 420,000 shares over 2 years (250,000 issued), and a work commitment of \$90,000 over 3 years. There is a 3% NSR payable to the optionor of which two-thirds may be purchased for \$1,500,000.

s) Anderson Lake, Ontario

On June 23, 2006, the Company entered into an option agreement to acquire a 100% interest in the Anderson Lake Property, located in the McTavish Township, Ontario. Consideration for the Property consists of \$142,000 cash (\$37,000 paid), 300,000 shares (100,000 issued), and a work commitment of \$160,000 over 4 years. There is a 3% NSR payable to the optionor, of which two-thirds may be purchased for \$1,500,000. Commencing on the fifth anniversary of the agreement, advance royalty payments of \$15,000 are payable each year.

t) Patent Property, Ontario

On May 2, 2006, the Company entered into an option agreement to acquire a 100% interest in the Patent Property, located in Sewell and Reeves Townships, Ontario. Consideration for the Property consists of \$70,000 cash (\$30,000 paid), 250,000 shares (100,000 issued), and a work commitment of \$130,000 over 3 years. There is a 3% NSR payable to the optionor, of which two-thirds may be purchased for \$1,500,000.

u) Morin, Ontario

On May 28, 2006, the Company entered into an option agreement to acquire a 100% interest in the Morin Property, located in the Keith Township, Ontario. Consideration for the Property consists of \$110,000 cash (\$30,000 paid) and 220,000 shares over 3 years (60,000 issued). There is a 3% NSR payable to the optionor, of which half may be purchased for \$1,000,000.

v) Loveland Property Group, Ontario

i) On May 18, 2006, the Company entered into an option agreement to acquire a 100% interest in the Loveland 1 Property, located in the Byers and Loveland Townships, Ontario. Consideration for the Property consists of \$300,000 cash over 5 years (\$75,000 paid), 600,000 shares (200,000 issued), and a work commitment of \$150,000 over 5 years. There is a 3% NSR payable to the optionor, of which one-third may be purchased for \$1,000,000 and an additional one-third may be purchased for \$1,000,000.

Commencing 66 months after the date of the agreement, advance royalty payments of \$12,500 are payable every 6 months thereafter, until commercial production commences on the property. A further 100,000 shares will be issued after the completion of a positive feasibility study.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

v) Loveland Property Group, Ontario (continued)

- ii) On May 18, 2006, the Company entered into an option agreement to acquire a 100% interest in the Loveland 2 Property, located in the Byers, Thorburn and Loveland Townships, Ontario. Consideration for the Property consists of \$300,000 payable over 5 years (\$75,000 paid), 600,000 shares payable over 5 years (200,000 issued), and a work commitment of \$150,000 over 5 years. There is a 3% NSR payable to the optionor of which one-third may be purchased for \$1,000,000 and an additional one-third may be purchased for \$1,000,000.

Commencing 66 months after the date of the agreement, advance royalty payments of \$12,500 are payable every 6 months thereafter, until commercial production commences on the property. A further 100,000 shares will be issued after the completion of a positive feasibility study.

w) Holloway/Frecheville Property Group, Ontario

- i) Option agreement to acquire a 100% interest in the Holloway Property, located in Holloway and Frecheville Townships, Ontario. Consideration for the Property consists of \$250,000 cash (\$25,000 paid) and 500,000 shares over 4 years (100,000 issued). There is a 3% net smelter return payable to the optionor, of which one-third may be purchased for \$1,000,000 and at any time an additional one-third for \$2,000,000.

Commencing 66 months after the date of the agreement, advanced royalty payments of \$12,500 are payable every 6 months thereafter, until commercial production commences on the property. A further 100,000 shares will be issued after the completion of a positive feasibility study.

- ii) Option agreement to acquire a 100% interest in the Holloway 2 Property, located in the Holloway Townships, Ontario. Consideration for the Property consists of \$20,000 payable within 10 days of regulatory approval (\$20,000 paid) and 200,000 shares payable over 12 months (100,000 issued). There is a 2% net smelter return payable to the optionor.

During the year ended October 31, 2006, the Company abandoned and wrote off all costs incurred with respect to the Holloway Property Group.

x) Chewett Property, Ontario

On June 28, 2006, the Company acquired a 100% interest in 6 claims in the Chewett Township property located in Ontario for consideration of \$15,000 cash (paid). The property is subject to a 2% NSR, of which half may be purchased for \$750,000.

y) Gogama Moly Property, Ontario

On February 5, 2007, the Company entered into an option agreement to acquire a 100% interest in Moher Township property, located approximately 58 kilometres southwest of Thunder Bay, Ontario for consideration of \$45,000 cash (\$10,000 paid) and 200,000 shares payable over 2 years (50,000 issued), and a work commitment of \$75,000 over 2 years. The property is subject to a 2% NSR, of which half may be purchased for \$1,000,000.

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

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**October 31, 2007 and 2006**

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**3. Mineral Properties** (continued)

z) Owl Lake Property, Ontario

On February 7, 2007, the Company entered into an option agreement to acquire a 100% interest in the Lower Aguasabon Lake Township property located in Ontario for consideration of \$10,000 (10,000 paid) cash and \$80,000 in cash or share equivalent based on the average trading price of the Company's share over the previous 10 days from the payment date over two years. The property is subject to a 2% NSR, of which half may be purchased for \$500,000.

aa) Dale Gold Property, Ontario

On February 5, 2007, the Company entered into an option agreement to acquire a 100% interest in the Horwood Township property located in Ontario for consideration of \$50,000 cash (15,000 paid) and 300,000 shares payable over 2 years (75,000 issued). The property is subject to a 2% NSR, of which half may be purchased for \$1,000,000.

bb) Meteor Lake Property, Ontario

On March 1, 2007, the Company acquired a 20% interest in the Moffat, Marshay, and Beulah Township property located in Ontario for consideration of \$4,000 cash (paid) and cost of 40,000 shares of a public company controlled by an officer of the Company payable over 12 months (20,000 issued and \$1,900 reimbursed by the Company). The property is subject to a 1% NSR.

cc) McTavish Property and Mine Center Property, Ontario

The McTavish property and the Mine Center property were acquired by staking. There were no underlying agreements. The staking was done based on management's interpretation of geological structures found on the properties from government file

dd) Tetagouche Property, New Brunswick

On May 6, 2005, the Company entered into an option agreement to acquire a 100% interest in the Tetagouche Property, New Brunswick. Consideration is \$40,000 cash (\$20,000 paid) and 150,000 common shares (60,000 issued) over 3 years. The property is subject to a 2% NSR with a buy back of 1% for \$750,000. This property was terminated in and written off in June 2007.

**4. Exploration Advances**

The Company advanced \$20,000 to a company as at October 31, 2007 (2006 - \$Nil), as a security deposit for the exploration on Silver Claim Property.

**5. Related Party Transactions**

The following related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. The amounts due to related parties were unsecured, non-interest bearing and had no specific terms of repayment. In addition to the related party transactions disclosed in the mineral properties and share capital notes, the Company had the following transactions and balances with related parties:

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

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**October 31, 2007 and 2006**

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

- a) A private company controlled by a director of the Company was paid \$496,615 (2006 - \$395,760; 2005 - \$137,000) in respect of administrative expenses. The charges were made under an annual renewable agreement for services and cost recovery. The agreement can be terminated by either party with 30 days notice. The services to the Company included supervision and administration of the financial requirements of the Company's business, producing quarterly accounts in accordance with public reporting requirements; communicating with various regulatory authorities in order to ensure compliance with all applicable laws; assisting in the preparation of news releases, professional analysis and planning of exploration programs, promotional materials and other documents required to be disseminated to the public and responding to any requests for information or questions which may be posed by the public; providing access to secretarial services and legal consultation; providing office space, office furniture, boardroom facilities, access to photocopier, fax and such other amenities normally associated with office needs; and providing such other additional instructions and directions as required.
- b) During the year, fees for consulting services in the amount of \$156,000 (2006 - \$236,040; 2005 - \$110,155) were paid to directors and officers of the Company and to a company controlled by a former officer of the Company. Also, the Company paid \$30,477 (2006 - \$Nil; 2005 - \$Nil) to a public company controlled by an officer of the Company and \$522,754 to a public company with common directors for exploration expenditures. At October 31, 2007, \$4,240 (2006 - \$4,240; 2005 - \$4,280) was owed to the related parties.
- c) During 2006, the Company acquired a 50% interest in the Chapeau, Forge Lake, and Otter Pond mineral properties from a company with common directors. The Company incurred and deferred \$325,932 (2006 - \$282,834; 2005 - \$Nil) for acquisition and exploration expenses and management fees of \$34,414 (2006 - \$42,504; 2005 - \$Nil) charged by the related company on these properties. At October 31, 2007, \$370,989 (2006 - \$42,437; 2005 - \$Nil) was owed to the related company.
- d) At October 31, 2007, there was \$62,500 (2006 - \$Nil; 2005 - \$Nil) due to a director of the Company as a result of an overpayment in relation to a private placement that occurred during the year.

**6. Share Capital**

- a) Authorized

Unlimited number of common shares without par value

- b) Private placements

Year ended October 31, 2007

- i) On December 27, 2006, the Company closed a private placement consisting of 13,965,000 flow-through units at a price of \$0.12 per unit. Each unit is comprised of one flow-through common share and one non flow-through non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.15 per share.

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

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**October 31, 2007 and 2006**

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**6. Share Capital** (continued)

b) Private placements (continued)

Year ended October 31, 2007 (continued)

- ii) On February 6, 2007, the Company closed a private placement consisting of 1,600,000 flow-through units and 750,000 non-flow-through units at a price of \$0.12 per unit. Each of the units is comprised of one common share and one non-transferable share purchase warrant entitling the holder to purchase one common share for a period of two years at a price of \$0.15 per share.
- iii) On May 24, 2007, the Company closed a private placement consisting of 11,200,000 non-flow-through units at a price of \$0.10 per unit. Each of the units is comprised of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.12 per share in the first year and at a price of \$0.15 per share in the second year.
- iv) On September 12, 2007, the Company closed a private placement consisting of 2,545,000 non flow-through units at a price of \$0.25 per unit. Each of the units is comprised of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.30. The company received \$626,250 by October 31, 2007. The outstanding amount of \$10,000 was received in November 2007.

Year ended October 31, 2006

- v) On January 18, 2006, the Company closed a private placement consisting of 5,650,000 units (of which 2,500,000 are flow-through units and 3,150,000 are non-flow-through units) at a price of \$0.10 per unit. Each unit comprised one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 per share, until January 17, 2008.
- vi) On May 18, 2006, the Company closed a private placement consisting of 13,467,833 units (of which 11,911,833 are flow-through units and 1,556,000 are non-flow-through units) at a price of \$0.15 per unit. Each unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.20 per share, until May 17, 2008.

Year ended October 31, 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.

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

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**October 31, 2007 and 2006**

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**6. Share Capital** (continued)

b) Private placements (continued)

Year ended October 31, 2005 (continued)

- 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 option pricing 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.
- 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 share at an exercise price of \$0.10 per share, until October 7, 2007. Subscriptions receivable as at October 31, 2005 of \$167,000 were received in February 2006.

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

**October 31, 2007 and 2006**

**6. Share Capital (continued)**

c) Warrants

As at October 31, 2007, there were 46,849,333 (2006 – 38,358,521) warrants outstanding as follows:

	<b>NUMBER OF WARRANTS</b>	<b>EXERCISE PRICE</b>
Outstanding and exercisable at October 31, 2005	25,055,688	
Warrants exercised	(815,000)	\$ 0.14 & 0.10
Warrants expired	(5,000,000)	\$0.30, 0.35, 0.20 & 0.15
Warrants granted	13,467,833	\$ 0.20
Warrants granted	5,650,000	\$ 0.10
Outstanding and exercisable at October 31, 2006	38,358,521	
Warrants expired	(6,075,688)	\$ 0.10, 0.13 & 0.14
Warrants exercised	(15,493,500)	\$ 0.10, 0.15 & 0.20
Warrants granted	13,965,000	\$ 0.15
Warrants granted	2,350,000	\$ 0.15
Warrants granted	11,200,000	\$ 0.10
Warrants granted	2,545,000	\$ 0.30
<b>Outstanding at October 31, 2007</b>	<b>46,849,333</b>	

<b>EXPIRY DATE</b>	<b>EXERCISE PRICE</b>	<b>NUMBER OF WARRANTS</b>
January 17, 2008	\$0.10	4,680,000
May 17, 2008	\$0.20	13,204,333
December 21, 2008	\$0.15	12,945,000
December 21, 2008	\$0.15	2,350,000
May 23, 2008 and 2009	\$0.12 and \$0.15	11,125,000
September 21, 2009	\$0.30	2,545,000

As at October 31, 2007 the weighted average remaining contractual life of the share purchase warrants is 1.35 years and the weighted average exercise price is \$0.16 (2006 - \$0.14, 2005 - \$0.15).

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

**October 31, 2007 and 2006**

**6. Share Capital (continued)**

d) Options

As at October 31, 2007, there were 7,509,500 (2006 – 5,984,000; 2005 – 2,578,000) options outstanding as follows:

	NUMBER OF OPTIONS	EXERCISE PRICE
Outstanding and exercisable at October 31, 2005	2,578,000	\$ 0.13
Options granted	3,406,000	\$ 0.14
Outstanding and exercisable at October 31, 2006	5,984,000	\$ 0.14
Options granted	112,500	\$ 0.15
Options granted	1,858,000	\$ 0.12
Options cancelled	(100,000)	\$ 0.20
Options exercised	(345,000)	\$0.10-0.20
<b>Outstanding at October 31, 2007</b>	<b>7,509,500</b>	

EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS
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	-
January 5, 2009	(re-priced from \$0.56) \$0.20	380,000
July 28, 2010	\$0.10	1,510,000
November 17, 2010	\$0.10	1,301,000
February 2, 2011	\$0.20	625,000
July 6, 2011	\$0.15	1,415,000
November 3, 2011	\$0.15	112,500
April 18, 2012	\$0.12	1,833,000
		<u>7,509,500</u>

EXERCISE PRICE	NUMBER OF OPTIONS OUTSTANDING AND EXERCISABLE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE
\$0.10	2,811,000	2.88	\$ 0.10
\$0.12	1,833,000	4.47	\$ 0.12
\$0.15	1,527,500	3.71	\$ 0.15
\$0.20	1,338,000	1.93	\$ 0.20
	<b>7,509,500</b>	<b>3.27</b>	<b>\$ 0.13</b>

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

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**October 31, 2007 and 2006**

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**6. Share Capital** (continued)

e) Escrow shares

During the year ended October 31, 2006, the Company cancelled 25,000 common shares previously held in escrow and returned them to treasury.

f) Stock based compensation

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, officers, employees, and consultants to acquire up to 10% of the issued and outstanding common stock.

Stock based compensation on options granted in the year amounted to \$140,000 (2006 - \$286,000; 2005 - \$79,000).

- i) On April 18, 2007, the Company granted 1,858,000 incentive stock options at a price of \$0.12 per share, exercisable for a period of five years.
- ii) On November 3, 2006, the Company granted 112,500 incentive stock options at a price of \$0.15 per share, exercisable for a period of five years.
- iii) On July 6, 2006, the Company granted 1,440,000 incentive stock options at a price of \$0.15 per share, exercisable for a period of five years.
- iv) On February 2, 2006, the Company granted 635,000 incentive stock options at a price of \$0.15 per share, exercisable for a period of five years.
- v) On November 17, 2005, the Company granted 1,331,000 incentive stock options at a price of \$0.10 per share, exercisable for a period of five years.
- vi) On July 28, 2005, the Company granted 1,510,000 incentive stock options at a price of \$0.10 per share, exercisable for a period of five years.

The fair value for options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

	<b>2007</b>	2006	2005
Average risk-free interest rate	<b>4%</b>	4%	3%
Expected life	<b>3 years</b>	3 years	3 years
Expected volatility	<b>91% - 95%</b>	94% - 98%	96%
Expected dividends	<b>Nil</b>	Nil	Nil

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

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

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**October 31, 2007 and 2006**

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**7. Commitments**

- a) On September 21, 2006, the Company's shareholders approved a Plan of Arrangement ("the Arrangement") dated August 11, 2006 to reorganize certain of the Company's diamond properties. On September 26, 2006, the final court order approving the Arrangement between the Company and its newly formed subsidiary, Diamondcorp Resources Inc. ("Diamondcorp"), was accepted.

On the effective date of the Arrangement yet to be determined, the Company's common shares will be restructured into new common shares and reorganization shares. On the effective date, each shareholder will receive three new common shares and one reorganization share for each three common shares of the Company held on the effective date. Each reorganization share will be exchanged for one Diamondcorp common share such that Diamondcorp will hold all of the reorganization shares. The Company will then redeem all of the reorganization shares and the transfer of the certain mineral properties to Diamondcorp will satisfy the aggregate redemption price.

The transferred mineral properties and related obligations in respect of these properties held by the Company will be at their carrying values in consideration for a corresponding number of Diamondcorp shares issued at fair value. In addition as contingent consideration from Diamondcorp, certain of the Company's mineral property agreements contain anti-dilution provisions such that the issue of the Company's shares will also require the issue of Diamondcorp shares on a three to one basis.

On the effective date, the exercise price of all outstanding options and warrants will be adjusted and the options and warrants shall be separated so as to be exercisable separately into new common shares and Diamondcorp common shares on the basis that for every three common shares purchasable on exercise of the options and warrants prior to the effective date, the holder thereof will be entitled to purchase, on exercise of options and warrants, three new common shares and separately one Diamondcorp Common Share.

- b) The Company entered into a loan agreement dated August 4, 2006, as extended August 1, 2007, with Diamondcorp and advanced \$100,000 for necessary working capital and to meet expenses prior to the effective date. The working capital loan bears interest from the date of each advance to the day of repayment at the rate of 5% per annum with interest being added to the principal on each annual anniversary of the date of advance. The entire working capital loan and interest accrued from such advance shall be repaid in cash on August 2, 2008. The loan remains outstanding pending completion of the Arrangement.
- c) By an agreement dated June 1, 2005, the Company entered into an administrative services agreement with a company controlled by a director and officer as described in the related party note. A management fee was payable at a minimum monthly 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.
- d) At October 31, 2007, the Company was obligated to incur \$80,343 (2006 - \$1,702,111) in eligible Canadian exploration expenses prior to December 31, 2007 (2006 - December 31, 2006) in order to complete obligations entered into pursuant to flow-through share purchase agreements. The Company has subsequent to the year end met its obligations to incur the required eligible Canadian exploration expenses.

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

**October 31, 2007 and 2006**

**8. Income Taxes**

A reconciliation of income taxes at statutory rates to the Company's effective income tax expense is as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Statutory tax rate	<b>34%</b>	34%	35%
Computed tax recovery	\$ (80,000)	\$ (1,437,000)	\$ (121,000)
Changes in temporary differences	<b>(33,000)</b>	(26,000)	(21,000)
Unrecognized items for tax purposes	<b>117,000</b>	1,215,000	29,000
Benefit of income tax assets recognized (not recognized)	<b>(1,181,276)</b>	24,311	12,000
	<b>\$ (1,177,276)</b>	\$ (223,689)	\$ (101,000)

The significant components of the Company's future income tax assets are as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Exploration and development deductions	\$ (678,000)	\$ 584,000	\$ (442,000)
Non-capital losses carried forward	<b>1,089,000</b>	717,000	437,000
Other temporary differences	<b>72,000</b>	60,000	60,000
	<b>483,000</b>	1,361,000	55,000
Valuation allowance	<b>( 483,000)</b>	(1,361,000)	(55,000)
	<b>\$ -</b>	\$ -	\$ -

The Company has Canadian non-capital losses carried forward of approximately \$3,182,000 (2006 - \$2,094,000) that may be available for tax purposes. The potential tax benefits of these losses have not been recognized as realization is not considered more likely than not. The losses expire as follows:

2008	\$ 49,000
2009	\$ 70,000
2010	\$ 277,000
2014	\$ 319,000
2015	\$ 349,000
2026	\$ 950,000
2027	\$ 1,168,000
	<u>\$ 3,182,000</u>

The Company has resource pools of approximately \$4.4 million (2006 - \$3.8 million) available to offset future taxable income. The tax benefit of these amounts is available for carry-forward indefinitely.

In connection with the issuance of flow-through shares, to date the Company has renounced, to the shareholders, the tax benefits associated with \$3,462,575 (2006 - \$646,500) in Canadian exploration expenditures incurred. Future income taxes of \$1,177,276 (2006 - \$223,689; 2005 - \$101,000) on the exploration expenditures renounced to shareholders were applied against share capital.

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

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**October 31, 2007 and 2006**

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**9. Subsequent Events**

In addition to information disclosed elsewhere in these notes, the following occurred during the period subsequent to October 31, 2007:

- a) The Company issued 7,385,000 shares for gross proceeds of \$918,450 pursuant to the exercise of warrants and options.
  
- b) The Company issued 375,000 shares with a fair value of \$136,250 for mineral properties.

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

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**October 31, 2007 and 2006**

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

These consolidated financial statements have been prepared in accordance with GAAP in Canada that differ in certain material respects from GAAP in the United States (“US”). The major differences between Canadian and US GAAP, which affect the Company’s consolidated financial statements, are as follows:

a) Mineral property exploration and development

Under US GAAP, mineral exploration and development property expenditures are expensed in the year incurred in a development 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 and capitalized during this process. Accordingly, for US GAAP purposes, for all periods presented, the Company has expensed all land use costs for mineral properties and capitalized exploration costs, which have been incurred by the Company, for which commercially mineable revenues do not exist.

Flow-through shares

Under Canadian income tax legislation a company is allowed to issue flow-through shares pursuant to which the Company renounces Canadian exploration expenditures to the flow-through share investors for an amount equal to the share issuance price.

Under Canadian GAAP, the Company recognizes a future income tax benefit upon the renouncement of these exploration expenditures for the amount of the future tax value of the expenditures renounced. Under U.S. GAAP, the recognition of this future income tax benefit is limited to the extent that the issue price of the flow-through shares exceeds the fair value of the Company’s shares on the date that the flow-through shares are sold. This price difference has not been significant and the entire future tax benefit recorded under Canadian GAAP has not been recognized for US GAAP purposes.

Prior years’ restatements

Certain of the prior years’ comparative figures in this Canadian to US GAAP reconciliation note for 2006 and 2005 have been restated to correct items arising from the presentation of mineral property exploration and development expenditures including the write-off of mineral properties and the accounting for flow-through share future income tax recovery. As a result of the restatements the loss for 2006 and 2005 under US GAAP increased by \$223,689 and \$101,000. Basic and diluted loss per share increased from \$0.05 to \$0.06 for 2006 and there was no change for 2005 as a result of the restatement.

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

**October 31, 2007 and 2006**

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

a) Mineral property exploration and development (continued)

The effects on the Company’s consolidated financial statements are summarized below:

<b>Consolidated Statements of Operations and Comprehensive Loss</b>	<b>2007</b>	<b>2006</b> (restated)	<b>2005</b> (restated)
Net loss and comprehensive loss for the year under:			
Canadian GAAP	\$ (234,727)	\$ (4,197,401)	\$ (339,777)
Add: Mineral property exploration and development expenditures	(4,469,687)	(1,818,235)	(1,060,062)
Less: Write-down of properties	201,627	3,261,819	-
Add: Flow-through shares future income tax benefit not recognized	(1,177,276)	(223,689)	(101,000)
<b>Net loss under US GAAP</b>	<b>\$ (5,680,063)</b>	<b>\$ (2,977,506)</b>	<b>\$ (1,500,839)</b>
<b>Loss per share – US GAAP</b>	<b>\$ (0.08)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>

<b>Consolidated Statements of Cash Flows</b>	<b>2007</b>	<b>2006</b> (restated)	<b>2005</b>
Cash flows (used in) operating activities – Canadian GAAP	\$ (1,124,631)	\$ (909,962)	\$ (372,743)
Exploration advances	(16,615)	(3,385)	-
Mineral exploration costs capitalized in the year and not expensed	(3,538,818)	(1,495,250)	(950,901)
<b>Cash flows (used in) operating activities – US GAAP</b>	<b>\$ (4,680,064)</b>	<b>\$ (2,408,597)</b>	<b>\$ (1,323,644)</b>
Cash flows (used in) investing activities – Canadian GAAP	\$ (3,555,433)	\$ (1,498,635)	\$ (950,901)
Exploration advances	16,615	3,385	-
Mineral exploration costs capitalized in the year and not expensed	3,538,818	1,495,250	950,901
<b>Cash flows (used in) investing activities – US GAAP</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**October 31, 2007 and 2006**

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

	2007	2006	2005
Consolidated Balance Sheets			
Assets			
Mineral Properties			
Canadian GAAP	\$ 6,351,417	\$ 2,083,357	\$ 3,526,941
Resource property expenditures (cumulative)	(6,351,417)	(2,083,357)	(3,526,941)
United States GAAP	\$ -	\$ -	\$ -
Stockholders' Equity			
Canadian GAAP	\$ 6,827,569	\$ 2,551,093	\$ 3,680,628
Resource property expenditures (cumulative)	(6,351,417)	(2,083,357)	(3,526,941)
United States GAAP	\$ 476,152	\$ 467,736	\$ 153,687

b) New accounting pronouncements

- i) In September 2006, the FASB issued Statement of Financial Accounting Standard ("SFAS") No. 157, *Fair Value Measurements* ("FAS 157"). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. FAS 157 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier adoption is permitted. The Company has not yet assessed the impact of the adoption of FAS 157 on its overall results of operations, financial position or cash flows.
- ii) In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115* ("FAS 159"). FAS 159 permits an entity to choose to measure many financial instruments and certain other items at fair value. The unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings at each subsequent reporting date. The fair value option: (a) may be applied instrument by instrument, with a few exceptions, such as investments otherwise accounted for by the equity method; (b) is irrevocable (unless a new election date occurs); and (c) is applied only to entire instruments and not to portions of instruments. FAS 159 is effective for fiscal years beginning after November 15, 2007 and for interim periods within those fiscal years. The Company is currently assessing FAS 159 and has not yet determined the impact that the adoption of this standard will have on its financial position or results of operations.

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

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**October 31, 2007 and 2006**

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

b) New accounting pronouncements (continued)

- iii) In December 2007, the FASB issued SFAS No. 141(revised 2007), Business Combinations (“FAS 141R”). FAS 141R replaces SFAS No. 141, Business Combinations (“FAS 141”). FAS 141R retains the fundamental requirements in FAS 141 that the acquisition method of accounting (defined in FAS 141 as the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. FAS 141R requires the acquiring entity in a business combination to recognize the assets acquired and liabilities assumed at the acquisition date. FAS 141R also requires acquisition-related costs to be recognized separately from the business combination. FAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company is currently assessing FAS 141R and has not yet determined the impact that the adoption of this standard will have on its financial position or results of operations.
- iv) In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements (“FAS 160”). FAS 160 establishes a single method of accounting for changes in a parent’s ownership interest in a subsidiary that does not result in deconsolidation. FAS 160 clarifies that all of those transactions are equity transactions if the parent retains its controlling financial interest in the subsidiary. FAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. However, FAS 160 shall be applied prospectively as of the beginning of the fiscal year in which it is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. The Company is currently assessing FAS 160 and has not yet determined the impact that the adoption of this standard will have on its financial position or results of operations

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

c) 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 the year ended October 31, 2002 and entered the mining exploration business. The following information includes cumulative inception to date information from November 1, 2001. Pre-exploration stage stockholders’ deficiency as of October 31, 2001 in the amount of \$(86,846), comprised of issued share capital and deficit in the amounts of \$3,297,092 (2,309,651 common shares) and \$(3,364,696) respectively, have been excluded from the cumulative inception to date information.

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

**October 31, 2007 and 2006**

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

c) Cumulative inception to date information (continued)

<b>Consolidated Balance Sheets (US GAAP)</b>	<b>Cumulative Amounts From Inception</b>	
<b>Shareholders' Equity (Stockholders' Equity)</b>	<b>NUMBER OF SHARES</b>	<b>SHARE AMOUNT</b>
<b>Share Capital</b>		
Issued for		
Loan bonus	411,111	\$ 80,000
Property acquisition	4,340,000	673,900
Shares for debt	5,399,438	681,864
Issued for cash		
Private placements	76,383,548	10,666,925
Exercise of options/warrants	19,550,500	2,067,200
Share issuance costs	-	(520,390)
Fair value of stock options exercised	-	7,006
Cancellation of the escrow shares	(25,000)	(250)
Share subscriptions receivable	-	(10,000)
	<u>106,059,597</u>	13,646,255
<b>Contributed Surplus</b>		672,244
<b>Deficit Accumulated During The Exploration Stage</b>		(13,774,743)
		<u>\$ 543,756</u>

<b>Consolidated Statements of Operations and Comprehensive Loss (US GAAP)</b>	<b>Cumulative Amounts From Inception</b>	
<b>Administrative Expenses</b>		
Amortization	\$	1,826
Consulting fees		764,446
Financing fees		112,500
Interest on debt		79,933
Investor relations and promotion		345,985
Legal and accounting		341,312
Management fees		1,130,375
Office and miscellaneous		61,334
Part XII.6 tax		118,178
Regulatory fees		176,758
Stock based compensation		649,000
Transfer agent fees		63,522
Recovery of prior year expenses		(13,478)
<b>Other Income (Expenses)</b>		
Mineral property exploration and development		9,973,853
Interest income		(30,801)
<b>Net Loss And Comprehensive Loss From Inception</b>	<b>\$</b>	<b>(13,774,743)</b>

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

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**October 31, 2007 and 2006**

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

c) Cumulative inception to date information (continued)

<b>Statements of Cash Flows (US GAAP)</b>	<b>Cumulative Amounts From Inception</b>
<b>Cash Provided By (Used For)</b>	
<b>Operating Activities</b>	
Net loss and comprehensive loss from inception	\$ (13,774,743)
Add items not affecting cash:	
Amortization	1,826
Shares issued for financing and management fees	199,364
Shares and options issued for mineral properties	700,900
Stock based compensation	649,000
Other assets written off	101
Change in non-cash operating assets and liabilities	553,704
	<u>(11,445,073)</u>
<b>Financing Activities</b>	
Loans received	712,500
Repayment of loans	(150,000)
Issuance of share capital	12,724,125
Share issuance costs	(517,390)
	<u>12,478,115</u>
<b>Investing Activity</b>	
Purchase of equipment	(1,826)
	<u>(1,826)</u>
<b>Net Increase In Cash And Cash Equivalents</b>	<b>\$ 1,097,561</b>

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

**For the year ended October 31, 2007**

	Red Lake Group Ontario	Silverstrike Group Ontario	Donovan Basin Ontario	Ajax Group Ontario	Mennin Lake Ontario	Fripp Ontario	Connor Creek British Columbia	Blackstock Ontario	Oke & Ford Property Ontario	Forge Lake Ontario	Otter Pond Property Ontario
<b>Acquisition Costs</b>											
Opening balance	\$ 81,880	\$ 84,517	\$ 120,460	\$ 163,553	\$ 45,000	\$ 19,472	\$ 18,000	\$ 15,840	\$ 134,300	\$ 34,000	\$ 27,495
Staking costs	16,554	17,482	-	2,145	6,715	-	-	-	-	-	-
Option payments cash	38,000	40,000	20,000	10,000	25,000	-	-	-	-	3,628	6,047
Option payments shares	12,000	36,700	35,900	13,000	13,000	7,375	4,500	-	-	-	-
Finder's fees cash	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	-
Closing balance	148,434	178,699	176,360	188,698	89,715	26,847	22,500	15,840	134,300	37,628	33,542
<b>Deferred Exploration</b>											
Opening balance	51,804	86,813	31,694	125,975	25,169	40,517	59,517	-	-	5,100	4,124
Consulting	600	31,155	-	35,356	816	-	2,293	-	-	-	-
Drilling	-	675,685	34,284	-	-	-	305,700	-	-	-	-
Geological	7,476	11,778	18,526	8,351	74,831	1,200	16,064	-	-	-	-
Line cutting	22,400	26,830	27,030	-	-	-	-	-	-	-	-
Mapping and sampling	10,286	76,218	24,059	8,608	72,946	-	115,096	-	-	-	-
Miscellaneous	-	600	300	-	-	300	200	-	-	-	-
Management fee/adm.	-	-	-	-	-	-	56,644	-	-	547	907
Surveying	133,304	84,753	55,451	18,053	-	-	-	29,655	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	-
Closing balance	225,870	993,832	191,344	196,343	173,762	42,017	555,514	29,655	-	5,647	5,031
<b>Balance, End Of Year</b>	<b>\$ 374,304</b>	<b>\$ 1,172,531</b>	<b>\$ 367,704</b>	<b>\$ 385,041</b>	<b>\$ 263,477</b>	<b>\$ 68,864</b>	<b>\$ 78,014</b>	<b>\$ 45,495</b>	<b>\$ 134,300</b>	<b>\$ 43,275</b>	<b>\$ 38,573</b>

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

**For the year ended October 31, 2007**

	<b>Gould Copper Ontario</b>	<b>Hunter Gold Ontario</b>	<b>Chapleau Ontario</b>	<b>Willet Ontario</b>	<b>Sharpe &amp; Savard Ontario</b>	<b>Horwood Ontario</b>	<b>East Breaccia Ontario</b>	<b>Keith &amp; Sewell Ontario</b>	<b>Anderson Lake Ontario</b>	<b>Patent Ontario</b>
<b>Acquisition Costs</b>										
Opening balance	\$ 25,715	\$ 20,805	\$ 168,266	\$ 11,000	\$ 10,000	\$ 59,025	\$ 34,670	\$ 48,032	\$ 27,950	\$ 34,000
Staking costs	-	-	32,578	-	1,625	33,680	-	1,165	-	-
Option payments cash	10,000	5,000	94,131	5,000	15,000	30,000	25,000	30,500	25,000	15,000
Option payments shares	7,750	4,750	-	6,500	-	20,000	15,500	33,600	12,000	12,000
Finder's fees cash	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Closing balance	43,465	30,555	294,975	22,500	26,625	142,705	75,170	113,297	64,950	61,000
<b>Deferred Exploration</b>										
Opening balance	4,118	1,219	157,071	1,220	-	2,071	3,370	26,875	1,210	838
Consulting	1,384	-	3,526	-	-	6,030	3,224	225	-	40
Drilling	-	-	-	-	-	43,707	-	16,940	-	-
Geological	35,347	-	52,554	-	-	81,779	25,668	2,495	12,580	-
Line cutting	8,999	-	33,595	-	-	48,760	-	2,981	-	-
Mapping and sampling	3,236	-	115,343	8,750	-	161,613	25,119	1,743	604	80
Miscellaneous	300	600	8,305	300	-	568	300	-	-	-
Management fee/adm.	-	-	34,431	-	-	2,191	-	-	-	-
Surveying	7,364	-	-	-	27,475	535,633	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Closing balance	60,748	1,819	404,825	10,270	27,475	882,352	57,681	51,259	14,394	958
<b>Balance, End Of Year</b>	<b>\$ 104,213</b>	<b>\$ 32,374</b>	<b>\$ 699,800</b>	<b>\$ 32,770</b>	<b>\$ 54,100</b>	<b>\$ 1,025,057</b>	<b>\$ 132,851</b>	<b>\$ 164,556</b>	<b>\$ 79,344</b>	<b>\$ 61,958</b>

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

**For the year ended October 31, 2007**

	Morin Property Ontario	Loveland Property Group Ontario	Holloway Frecheville Property Group Ontario	Chewett Property Ontario	Gogama Moly Property Ontario	Owl Lake Ontario	Dale Gold Property Ontario	Meteor Lake Property Ontario	McTavish Property Ontario	Mine Center Property Ontario
<b>Acquisition Costs</b>										
Opening balance	\$ 15,000	\$ 92,000	\$ -	\$ 19,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staking costs	-	6,400	-	-	-	-	-	9,481	2,640	2,340
Option payments cash	20,000	100,591	-	-	10,000	10,000	15,000	5,900	-	-
Option payments shares	9,600	48,000	-	-	6,500	-	10,500	-	-	-
Finder's fees cash	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Closing balance	44,600	246,991	-	19,680	16,500	10,000	25,500	15,381	2,640	2,340
<b>Deferred Exploration</b>										
Opening balance	751	2,568	-	-	-	-	-	-	-	-
Consulting	-	2,250	3,533	-	-	-	-	-	-	-
Drilling	-	5,756	43,540	-	-	-	-	1,190	-	-
Geological	-	13,264	1,500	-	-	-	-	4,997	-	-
Line cutting	-	17,435	-	-	-	-	-	6,115	-	-
Mapping and sampling	80	-	2,503	-	-	-	40	2,800	-	-
Miscellaneous	-	696	-	-	940	-	600	-	-	-
Management fee/adm.	-	-	-	-	-	900	-	-	-	-
Surveying	-	26,218	-	21,592	-	-	-	-	-	-
Write-off	-	-	(51,076)	-	-	-	-	-	-	-
Closing balance	831	68,187	-	21,592	940	900	640	15,102	-	-
<b>Balance, End Of Year</b>	<b>\$ 45,431</b>	<b>\$ 315,178</b>	<b>\$ -</b>	<b>\$ 41,272</b>	<b>\$ 17,440</b>	<b>\$ 10,900</b>	<b>\$ 26,140</b>	<b>\$ 30,483</b>	<b>\$ 2,640</b>	<b>\$ 2,340</b>

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

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**For the year ended October 31, 2007**

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	<b>Tetagouche New Brunswick</b>	<b>Total</b>
<b>Acquisition Costs</b>		
Opening balance	\$ 24,500	\$ 1,335,160
Staking costs	-	133,307
Option payments cash	-	558,297
Option payments shares	-	309,175
Finder's fees cash	-	-
Write-off	(24,500)	(24,500)
Closing balance	-	2,311,439
<b>Deferred Exploration</b>		
Opening balance	116,173	748,197
Consulting	-	90,432
Drilling	19,587	1,146,388
Geological	7,994	376,402
Line cutting	-	194,144
Mapping and sampling	1,529	631,644
Miscellaneous	12	13,325
Management fee/adm.	(19,244)	77,072
Surveying	-	939,501
Write-off	(126,051)	(177,127)
Closing balance	-	4,039,978
<b>Balance, End Of Year</b>	<b>\$ -</b>	<b>\$ 6,351,417</b>

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

**For the year ended October 31, 2006**

	Kenora Group Ontario	Red Lake Group Ontario	Silverstrike Group Ontario	Donovan Basin Ontario	Ajax Group Ontario	Mennin Lake Ontario	Fripp Ontario	Connor Creek British Columbia	Blackstock Ontario	Oke & Ford Property Ontario	Forge Lake Ontario
<b>Acquisition Costs</b>											
Opening balance	\$ 1,262,157	\$ 42,000	\$ 41,182	\$ 24,600	\$ 135,568	\$ 16,000	\$ 8,787	\$ -	\$ -	\$ -	\$ -
Staking costs	2,701	2,880	2,785	71,260	5,985	-	7,560	-	15,840	134,300	-
Option payments cash	15,000	27,000	30,000	15,000	17,500	25,000	-	-	-	-	34,000
Option payments shares	5,000	10,000	10,550	9,600	4,500	4,000	3,125	18,000	-	-	-
Finder's fees cash	168	-	-	-	-	-	-	-	-	-	-
Write-off	(1,285,026)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	81,880	84,517	120,460	163,553	45,000	19,472	18,000	15,840	134,300	34,000
<b>Deferred Exploration</b>											
Opening balance	1,739,824	-	-	600	94,150	8,547	-	12,500	-	-	-
Consulting	8,894	-	12,645	13,058	1,400	-	5,400	46,237	-	-	-
Drilling	-	-	-	-	-	-	-	-	-	-	-
Geological	-	3,566	500	-	-	-	-	-	-	-	-
Line cutting	-	45,550	12,005	17,970	4,496	7,736	-	-	-	-	-
Mapping and sampling	-	-	-	-	1,930	-	820	-	-	-	-
Miscellaneous	999	-	122	66	570	51	932	780	-	-	-
Management fee	-	-	141	-	212	-	60	-	-	-	5,100
Surveying	-	2,688	61,400	-	23,217	8,835	33,305	-	-	-	-
Write-off	(1,749,717)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	51,804	86,813	31,694	125,975	25,169	40,517	59,517	-	-	5,100
<b>Balance, End Of Year</b>	<b>\$ -</b>	<b>\$ 133,684</b>	<b>\$ 171,330</b>	<b>\$ 152,154</b>	<b>\$ 289,528</b>	<b>\$ 70,169</b>	<b>\$ 59,989</b>	<b>\$ 77,517</b>	<b>\$ 15,840</b>	<b>\$ 134,300</b>	<b>\$ 39,100</b>

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

**For the year ended October 31, 2006**

	<b>Otter Pond Property Ontario</b>	<b>Gould Copper Ontario</b>	<b>Hunter Gold Ontario</b>	<b>Chapleau Ontario</b>	<b>Willet Ontario</b>	<b>Sharpe &amp; Savard Ontario</b>	<b>Horwood Ontario</b>	<b>East Breaccia Ontario</b>	<b>Keith &amp; Sewell Ontario</b>	<b>Anderson Lake Ontario</b>
<b>Acquisition Costs</b>										
Opening balance	\$ -	\$ -	\$ 1,800	\$ 475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staking costs	-	11,340	1,880	159,406	-	-	900	15,170	7,232	7,700
Option payments cash	27,495	12,000	10,000	8,385	5,000	10,000	31,000	12,000	21,000	12,000
Option payments shares	-	2,375	7,125	-	6,000	-	27,125	7,500	19,800	8,250
Finder's fees cash	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>27,495</b>	<b>25,715</b>	<b>20,805</b>	<b>168,266</b>	<b>11,000</b>	<b>10,000</b>	<b>59,025</b>	<b>34,670</b>	<b>48,032</b>	<b>27,950</b>
<b>Deferred Exploration</b>										
Opening balance	-	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	7,228	-	-	-	-	-	-
Drilling	-	-	-	16,857	-	-	-	-	-	-
Geological	-	3,150	-	54,169	-	-	-	2,000	-	-
Line cutting	-	-	-	9,155	-	-	-	-	17,962	-
Mapping and sampling	-	-	-	26,058	-	-	-	-	-	-
Miscellaneous	-	968	1,219	-	1,220	-	2,071	1,070	951	1,210
Management fee	4,124	-	-	42,504	-	-	-	300	-	-
Surveying	-	-	-	1,100	-	-	-	-	7,962	-
Write-off	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>4,124</b>	<b>4,118</b>	<b>1,219</b>	<b>157,071</b>	<b>1,220</b>	<b>-</b>	<b>2,071</b>	<b>3,370</b>	<b>26,875</b>	<b>1,210</b>
<b>Balance, End Of Year</b>	<b>\$ 31,619</b>	<b>\$ 29,833</b>	<b>\$ 22,024</b>	<b>\$ 325,337</b>	<b>\$ 12,220</b>	<b>\$ 10,000</b>	<b>\$ 61,096</b>	<b>\$ 38,040</b>	<b>\$ 74,907</b>	<b>\$ 29,160</b>

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

**For the year ended October 31, 2006**

	Patent Ontario	Morin Property Ontario	Loveland Property Group Ontario	Holloway Frecheville Property Group Ontario	Chewett Property Ontario	Magnum Quebec	Tetagouche New Brunswick	Total
<b>Acquisition Costs</b>								
Opening balance	\$ -	\$ -	\$ -	\$ -	\$ -	74,000	\$ 12,250	\$ 1,618,819
Staking costs	5,500	1,500	-	-	4,680	-	-	458,619
Option payments cash	15,000	10,000	50,000	45,000	15,000	-	10,000	457,380
Option payments shares	13,500	3,500	42,000	42,000	-	-	2,250	246,200
Finder's fees cash	-	-	-	-	-	-	-	168
Write-off	-	-	-	(87,000)	-	(74,000)	-	(1,446,026)
Closing balance	34,000	15,000	92,000	-	19,680	-	24,500	1,335,160
<b>Deferred Exploration</b>								
Opening balance	-	-	-	-	-	40,392	12,109	1,908,122
Consulting	-	-	-	502	-	-	13,214	108,578
Drilling	-	-	-	-	-	-	61,530	78,387
Geological	-	-	550	-	-	(1,680)	7,365	69,620
Line cutting	-	-	-	3,310	-	-	-	118,184
Mapping and sampling	-	-	-	-	-	-	2,345	31,153
Miscellaneous	838	751	1,935	1,428	-	-	(10,500)	6,681
Management fee	-	-	83	-	-	-	-	52,524
Surveying	-	-	-	22,125	-	-	30,110	190,742
Write-off	-	-	-	(27,365)	-	(38,712)	-	(1,815,794)
Closing balance	838	751	2,568	-	-	-	116,173	748,197
<b>Balance, End Of Year</b>	<b>\$ 34,838</b>	<b>\$ 15,751</b>	<b>\$ 94,568</b>	<b>\$ -</b>	<b>\$ 19,680</b>	<b>\$ -</b>	<b>\$ 140,673</b>	<b>\$ 2,083,357</b>