CASSIDY GOLD CORP.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 2007

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Cassidy Gold Corp. (An Exploration Stage Company) have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial information, contained elsewhere in this report has been reviewed to ensure consistency with the consolidated financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate consolidated financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors. Beauchamp & Company, Chartered Accountants, an independent firm of chartered accountants, appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

"James T. Gillis" (signed)

James T. Gillis
President and Chief Executive Officer

"Debbie M. Silver" (signed)

Debbie M. Silver
Chief Financial Officer

Kamloops, British Columbia
February 19, 2008

BEAUCHAMP & COMPANY
CHARTERED ACCOUNTANTS
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VANCOUVER, B.C.   V6B 2M1
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AUDITORS' REPORT

To the Shareholders of Cassidy Gold Corp.
(An Exploration Stage Company)

We have audited the consolidated balance sheets of Cassidy Gold Corp. (An Exploration Stage Company) as at October 31, 2007 and 2006 and the consolidated statements of operations, changes in shareholders' equity, cash flows, mineral property interests, and deferred exploration expenditures for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. 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 the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.
February 19, 2008

"Beauchamp & Company"
Chartered Accountants

CASSIDY GOLD CORP.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
AS AT OCTOBER 31, 2007 AND 2006

	2007	2006
ASSETS		
Current Assets		
Cash and equivalents (Note 1)	$ 4,118,675	$ 7,988,273
Marketable securities (Notes 1 & 3)	56,500	24,000
Amounts receivable	14,687	19,271
Due from related company (Note 4)	-	13,566
Prepaid expenses and advances	331,360	208,508
	4,521,222	8,253,618
Equipment (Note 5)	103,428	70,670
Mineral Property Interests (Statement) (Note 6)	691,195	771,148
Deferred Exploration Expenditures (Statement)	21,880,591	15,315,309
	$ 27,196,436	$ 24,410,745
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 409,728	$ 605,718
Commitments (Note 12)		
Contingency (Note 15)		
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)	35,123,213	31,064,213
Contributed Surplus (Note 8)	1,388,633	1,285,002
Deficit	(9,757,638)	(8,544,188)
Accumulated Other Comprehensive Income (Note 9)	32,500	-
	26,786,708	23,805,027
	$ 27,196,436	$ 24,410,745

Approved By The Directors:

"James T. Gillis" **Director**

"Osvaldo Iadarola" **Director**

See accompanying notes.

CASSIDY GOLD CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006

	2007	2006
Administrative Expenses		
Accounting and audit (Note 10)	$ 41,733	$ 50,610
Advertising, promotion and entertainment (Note 10)	62,268	116,177
Amortization of equipment	26,912	28,036
Bad debts (recovery)	(22,219)	22,219
Dues, conferences and subscriptions	38,200	127,866
Interest, bank charges and foreign exchange	71,637	29,261
Investor relations (Note 14)	72,156	7,912
Legal	9,330	52,127
Management fees (Note 10)	54,000	50,000
Office, clerical and sundry	4,021	4,684
Professional services	-	27
Regulatory and filing fees	15,462	9,712
Rent and telephone	23,838	23,413
Stock based compensation (Note 14)	35,635	595,705
Transfer agent fees	10,714	13,265
Travel and accommodation	46,925	46,092
Wages and benefits	85,765	68,102
Loss For The Year Before Other Items	(576,377)	(1,245,208)
Other Items		
Interest and rental income	190,483	257,501
Loss on abandonment of mineral property interests	(432,064)	-
Loss For The Year	$ (817,958)	$ (987,707)
Loss Per Share (Note 1)	$ (0.011)	$ (0.015)
Weighted Average Shares Outstanding	73,278,173	64,656,890

See accompanying notes.

CASSIDY GOLD CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006

	2007	2006
Share Capital		
Balance, beginning of year	$ 31,064,213	$ 15,451,368
Issued for cash - private placements	4,000,000	11,300,000
Issued for cash - exercise of stock options	-	152,450
Issued for cash - exercise of share purchase warrants	-	3,839,229
Transferred from contributed surplus on exercise on shares purchase warrants	-	156,123
Transferred from contributed surplus on exercise of stock options	-	36,043
Issued for mineral property interests	59,000	129,000
Balance, end of year	35,123,213	31,064,213
Contributed Surplus		
Balance, beginning of year	1,285,002	556,774
Value assigned to stock options	35,635	595,705
Value assigned to investor relations - stock options	8,285	-
Value assigned to agents' warrants	59,711	136,606
Transfer to share capital on exercise of stock options	-	(4,083)
Balance, end of year	1,388,633	1,285,002
Deficit		
Balance, beginning of year	(8,544,188)	(6,223,839)
Loss for the year	(817,958)	(987,707)
Share issuance costs	(395,492)	(1,332,642)
Balance, end of year	(9,757,638)	(8,544,188)
Accumulated Other Comprehensive Income		
Balance, beginning of year	-	-
Change in fair value of marketable securities	32,500	-
Balance, end of year	32,500	-
Shareholders' Equity	$ 26,786,708	$ 23,805,027

See accompanying notes.

CASSIDY GOLD CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006

	2007	2006
Cash Provided By (Used For):		
Operating Activities		
Loss for the year	$ (817,958)	$ (987,707)
Items not requiring cash:		
Amortization of equipment	26,912	28,036
Loss on abandonment of mineral property interests	432,064	-
Stock based compensation	43,920	595,705
Net change in non-cash working capital items:	(127,181)	(159,610)
Cash used for operating activities	(442,243)	(523,576)
Investing Activities		
Proceeds from return of reclamation bond	-	2,000
Repayments from related companies	13,566	74,997
Payments for equipment	(59,670)	(24,706)
Acquisition of mineral property interests for cash	(36,403)	(82,938)
Payments of deferred exploration expenditures	(7,032,248)	(6,579,618)
Cash used for investing activities	(7,114,755)	(6,610,265)
Financing Activities		
Proceeds from issuance of share capital	4,000,000	15,284,179
Payments of share issuance costs	(312,600)	(1,007,952)
Cash provided by financing activities	3,687,400	14,276,227
(Decrease) Increase In Cash And Equivalents	(3,869,598)	7,142,386
Cash And Equivalents, Beginning Of Year	7,988,273	845,887
Cash And Equivalents, End Of Year	$ 4,118,675	$ 7,988,273

Supplemental Disclosure Of Non-Cash Investing And Financing Activities:
During the year ended October 31, 2007, the Company issued 100,000 common shares at a cost of $59,000 pursuant to mineral property interest agreements.

During the year ended October 31, 2007, the Company issued 480,000 share purchase warrants in payment of finders' fees in respect of a financing which closed during the year. The finder's fees are disclosed as share issuance costs in the amount of $59,711 using the Black-Scholes pricing model.

During the year ended October 31, 2006, the Company issued 175,000 common shares at a cost of $129,000 pursuant to mineral property interest agreements.

During the year ended October 31, 2006, the Company issued 1,293,600 share purchase warrants in payment of finder's fees in respect of financings which closed during the year. The finder's fees are disclosed as share issuance costs in the amount of $324,690 using the Black-Scholes pricing model.

See accompanying notes.

CASSIDY GOLD CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF MINERAL PROPERTY INTERESTS
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006

	2006	Additions	Written Off On Abandonment	2007
Kouroussa, Tambiko & Siguiri Gold Exploration Permits Guinea, West Africa 100% option or ownership interests	$ 771,148	$ 95,403	$ (175,356)	$691,195

	2005	Additions	Written Off On Abandonment	2006
Kouroussa, Tambiko & Siguiri Gold Exploration Permits Guinea, West Africa 100% option or ownership interests	$ 559,210	$ 211,938	$ -	$771,148

See accompanying notes.

CASSIDY GOLD CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006

	2007	2006
Kouroussa Gold Exploration Permits		
Balance, beginning of year	$ 15,035,572	$ 8,511,277
Assays	745,274	555,405
Camp management and operations	231,500	302,622
Consulting and wages (Note 10)	1,177,367	1,098,225
Drilling	2,784,830	2,589,046
Equipment rental	269,277	538,798
Fuel	843,017	725,240
Geochemical and geological	120,329	137,031
Geophysical	-	7,159
Sundry	19,446	11,515
Surveys and mapping	5,254	182,695
Supplies and equipment	244,077	112,164
Technical support	263,103	195,879
Travel and accommodation	112,666	68,516
Balance, end of year	21,851,712	15,035,572
Tambiko & Siguiri Gold Exploration Permits		
Balance, beginning of year	279,737	22,325
Camp operations and travel	5,850	5,888
Drilling	-	105,936
Equipment rental	-	9,173
Fuel	-	34,040
Geochemical	-	7,931
Surveys and mapping	-	92,562
Wages and technical support	-	1,882
Write-off on abandonment of mineral property interests	(256,708)	-
Balance, end of year	28,879	279,737
Balance, October 31, 2007 and 2006	$ 21,880,591	$ 15,315,309

See accompanying notes.

1. Nature Of Operations And Significant Accounting Policies

The Company was incorporated on November 26, 1984 as PMA Technologies Inc. and on June 16, 1988 changed its name to PMA Resources Inc. On September 13, 1996 the Company then changed its name to Cassidy Gold Corp. The common shares of the Company are listed for trading on the TSX Venture Exchange ("TSXV").

The Company's major activity is the acquisition and exploration of mineral property interests. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The recoverability of amounts shown for mineral property interests and their related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves. The Company does not generate sufficient cash flow from operations to adequately fund its exploration activities, and has therefore relied principally upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's consolidated financial statements are presented on a going concern basis, which assume that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. The Company has incurred significant losses and as at October 31, 2007, the Company had a deficit of $9,757,638 and working capital $4,111,494. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

Principles Of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, Société Miniere Africaine (MINA) S.A.R.L. ("Mina") and Société Cassidy Gold Guinée S.A.R.L. ("Cassidy Gold Guinea") (both Guinean corporations). Mina was acquired by the Company during the year ended October 31, 2004, and holds the rights to the Company's interests in the Tambiko and Siguiri Exploration Permits. Cassidy Gold Guinea was incorporated by the Company to hold the right to the Company's interest in the Kouroussa Exploration Permit and Kourassa West and North Exploration Permits. All significant inter-company balances and transactions were eliminated on consolidation.

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include all adjustments consisting of normal recurring accruals that management believes are necessary for a fair presentation of the Company's financial position as at October 31, 2007 and 2006 and the results of its operations for the years ended October 31, 2007 and 2006.

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 amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the consolidated financial statements, as well as the reported amounts of revenues earned and expenses incurred during the year. Actual results could differ from those estimates.

1. Nature Of Operations And Significant Accounting Policies (Cont'd)

Use Of Estimates (Cont'd)

The Company's current investments in marketable common shares are items that, due to expected market volume and price fluctuations, may yield net realizable values that are materially different from their current book values at any point in time. Other items involving substantial measurement uncertainty are the carrying costs of mineral property interests and their related deferred exploration expenditures and the provision for future site restoration and abandonment costs and the determination of stock based compensation. By their nature, these estimates are subject to measurement uncertainty, and the impact on the consolidated financial statements of future changes in such estimates could be material.

Cash And Equivalents

Cash equivalents consist of temporary investments in commercial paper that are highly liquid and readily convertible to known amounts of cash and generally have maturities of ninety days or less at the time of acquisition. All cash equivalents are carried at their current market values, with any adjustments from cost recorded as interest income in the Company's consolidated statement of operations. Amounts receivable are inclusive of accrued interest as receipt of these amounts is also considered to be certain and measurable. As at October 31, 2007 cash and equivalents of $2,043,845US (2006 - $4,329,003US) are held in US dollars and are disclosed in these consolidated financial statements at their Canadian dollar equivalent.

	2007	2006
Cash	$ 39,953	$ 47,913
Money market funds	689,321	1,009,125
Bankers' acceptances	3,389,401	6,931,235
	$ 4,118,675	$ 7,988,273

Marketable Securities

Name Of Issuer	Class Of Security	Quantity	Adjusted Cost Of Securities 2007	Market Value 2007	Market Value 2006
Navasota Resources Ltd.	Common shares	150,000	$ 36,000	$ 36,000	$ 14,250
Delta Exploration Inc.	Common shares	50,000	20,500	20,500	19,500
			$ 56,500	$ 56,500	$ 33,750

1. Nature Of Operations And Significant Accounting Policies (Cont'd)

Investment Income

The Company recognizes interest income as earned, dividends when declared, and marketable security gains and losses when realized. Interest income includes amortization of any premium or discount recognized at date of purchase. Realized gains and losses represent the difference between the amounts received through the sale of marketable securities and their respective cost base. Unrealized gains and losses on available-for-sale marketable securities are recorded in other comprehensive income and recognized in operations when realized.

Transaction costs are included in the acquisition cost of individual marketable securities and recognized as part of the realized gains or losses when they are sold or written down. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

When the fair value of a marketable security falls below its cost, and the decline is determined to be other than temporary, a loss equivalent to the difference between cost and current fair value is recorded against investment income in the Company's consolidated statement of operations.

Mineral Property Interests And Deferred Exploration Expenditures

The cost of mineral property interests and their related direct exploration expenditures are deferred until the property interests are placed into production, sold or abandoned. These deferred expenditures will be amortized on a unit-of-production basis over the estimated useful lives of the property interests following the commencement of production, or written-off if the property interests are sold, allowed to lapse or abandoned. Mineral property interest option payments are recorded when receivable and are charged against the related mineral property interests' costs.

Cost includes the cash consideration and the fair market value of common shares issued on the acquisition of mineral property interests. The recorded costs of mineral property interests and their related deferred exploration expenditures represent costs incurred, and are not intended to reflect present or future values. The Company does not accrue the estimated future costs of maintaining its mineral property interests in good standing.

The Company reviews capitalized costs on its mineral property interests on a periodic basis, or annually, and will recognize an impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the interests or from sale of the interests. Management's assessment of the interests' estimated current fair market value is also based upon its review of other property transactions in the same geographic area.

Although the Company has taken steps to verify title to mineral property interests in which it has an interest in accordance with industry standards for the current stage of exploration of such property interests, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements of transfers and may be affected by undetected defects.

1. Nature Of Operations And Significant Accounting Policies (Cont'd)

Long-Lived Assets Impairment

Long-lived assets of the Company are reviewed when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to fair value.

Asset Retirement Obligations

The Company applies the standard of accounting for asset retirement obligations whereby management estimates the fair value of site restoration and clean-up costs on acquisition of mineral property interests and reflects this amount in the cost of the mineral property interest acquired. The standard requires the recognition of a liability for obligations associated with the retirement of assets when the liability is incurred. A liability is recognized initially at fair value if a reasonable estimate of the fair value can be made, and the resulting amount would be capitalized as part of the asset. The liability is accreted over time through periodic charges to operations or mineral property interest costs. In subsequent years, the Company adjusts the carrying amounts of the assets and the liabilities for changes in estimates of the amount or timing of underlying future cash flows.

It is reasonably possible that the Company's estimates of its ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis. As at October 31, 2007 and 2006, the Company does not have any asset retirement obligations.

Flow-Through Common Shares

The Company applies the accounting pronouncement relating to flow-through shares effective for all flow-through share agreements dated after March 19, 2004. Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the related resource expenditures.

When resource expenditures are renounced to the investors, and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate) thereby reducing share capital. The Company records the initial share issuances by crediting share capital for the full value of the cash consideration received.

Income Taxes

The Company applies the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the consolidated financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in

1. Nature Of Operations And Significant Accounting Policies (Cont'd)

Income Taxes (Cont'd)

operations in the year in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is likely to be realized.

Foreign Currency Translation

Accounts in foreign currencies and operations in foreign countries have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end rates of exchange. Non-monetary assets which comprise equipment, mineral property interests and deferred exploration expenditures are translated at the rate of exchange prevailing at the dates of the transactions. Revenues and expenses have been translated at the average rate of exchange for the year, except for amortization of equipment which has been translated at the same rate as the related assets. Translation gains and losses for the year are included in the consolidated statements of operations.

Stock Based Compensation

The Company applies the fair value based method of accounting for stock based compensation awards made to employees and non-employees. The standard requires that all stock based compensation awards be measured and recognized using a fair value based method. Prior to November 1, 2003, stock based compensation expense was only recognized when stock based compensation awards were made to non-employees, while pro-forma disclosure was acceptable for awards made to employees. Consideration received from the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

Loss Per Share

The Company calculates loss per share using the treasury stock method. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. Loss per share data is computed by dividing loss for the year by the weighted average number of common shares and common share equivalents outstanding during the year. Shares issuable upon the exercise of share purchase warrants and stock options were excluded from the computation of loss per share because their effect would be anti-dilutive.

2. Financial Instruments

a) Fair value

The carrying values of cash and equivalents, amounts receivable and recoverable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

2. Financial Instruments (Cont'd)

b) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

c) Credit risk

The Company is exposed to credit risk with respect to its cash and equivalents. However, the risk is minimized as cash and equivalents are placed with major financial institutions.

d) Derivatives

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

3. Changes In Accounting Policies

a) Comprehensive Income

Effective November 1, 2006, the Company adopted new CICA Handbook Section 1530, which introduces new standards for reporting and disclosure of comprehensive income. Comprehensive income is the change in equity (net assets) of an enterprise during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Commencing with the fiscal 2007 year, statements of other comprehensive income are included with the consolidated financial statements. The consolidated statement of other comprehensive income lists unrealized gains and losses for classifications of financial instruments, that do not require such gains and losses to be included in operations.

b) Financial Instruments

Effective November 1, 2006, the Company adopted new CICA Handbook Section 3855 which prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based measures are used. It also specifies how financial instrument gains and losses are to be presented. No retroactive application of this standard is required.

Pursuant to this standard, the Company is required to classify each category of its financial instruments and restate their carrying values to market where required. The Company's financial instruments and classifications are disclosed below.

3. Changes in Accounting Policies (Cont'd)

b) Financial Instruments (Cont'd)

Cash and equivalents, marketable securities and assets and liabilities associated with options and warrants that are based on companies other than the Company have been classified as available-for-sale. Commencing November 1, 2006, investments in marketable securities of public companies have been classified as available for sale and as such were revalued to market on November 1, 2006. These instruments will be re-valued to market at each succeeding year end. New acquisitions will be immediately revalued to market. Unrealized changes in fair value are recorded as other comprehensive income and included in shareholders' equity.

Changes recorded by the Company at November 1, 2006 are as follows:

	Financial Instrument Classification	Carrying Value Nov. 1, 2006	Unrealized Gain Booked To Accumulated Other Comprehensive Income	Fair Value Nov. 1, 2006
Investments in public company shares	Available For Sale	$ 24,000	$ 9,750	$ 33,750

4. Due From Related Company

The amount receivable from Navasota Resource Ltd. ("Navasota"), a company with similar directors, represent payments made by the Company on behalf of Navasota. The balance was unsecured, non-interest bearing and due on demand.

5. Equipment

	2007				2006
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software	100%	$ 73,481	$ 73,152	$ 329	$ -
Automotive equipment	30%	93,450	34,798	58,652	15,498
Computer equipment	30%	41,864	25,896	15,968	21,209
Furniture and equipment	20%	50,427	21,948	28,479	33,963
		$ 259,222	$ 155,794	$ 103,428	$ 70,670

Equipment is recorded at cost and is amortized using the declining balance method at the rates disclosed above. In the year of acquisition, one half of the normal rate is applied, and in the year of disposal no amortization is claimed.

6. Mineral Property Interests

(a) Kouroussa Gold Exploration Permits

By an agreement dated October 4, 2002 between the Company and Guinea Golden Mines S.A.R.L. ("GGM"), the Company was granted an option to acquire a 100% undivided interest, subject to a 15% State participation, in the Kouroussa Gold Exploration Permit (the "Property") located in the Kouroussa region of the Republic of Guinea, West Africa. The 240 square kilometre Property is located 570 kilometres east of Conakry, the capital city of Guinea. A national highway, completed in 1997, crosses the Property.

Pursuant to the agreement between the Company and GGM, the Company was to earn a 100% undivided interest in the Property by:

- Paying to GGM C$5,000 on signing (paid);
- Upon completion of a due diligence property & title examination, making a further payment of US$20,000 (paid);
- Upon acceptance by the TSXV of the agreement, issuing 200,000 common shares of the Company (issued);
- Upon the 1st anniversary of the TSXV acceptance, paying a further US$25,000 (paid) and issuing a further 100,000 common shares of the Company (issued);

During the year ended October 31, 2004, the permit for the Property was not renewed by the Ministry of mines, geology, and the environment of the Republic of Guinea pursuant to its mining code. A new permit was granted in respect of the Property in favour of the Company which now owns a 100% undivided interest, subject only to the aforementioned 15% State participation in the permit. This permitted area is subject to the terms and conditions of the option agreement with Saniexplore (SAEX) S.A.R.L. disclosed in the following paragraph.

By an agreement dated September 1, 2004 between the Company, its subsidiary Cassidy Gold Guinea and Saniexplore (SAEX) S.A.R.L., (the "Optionor") the Company has been granted an option to acquire a 100% undivided interest, subject to a 15% State participation, in the Kouroussa South Exploration Permit located in the Kouroussa region in the Republic of Guinea, West Africa. Consideration may total $350,000 U.S. to the initiation of commercial production, and the issuance of 600,000 common shares of the Company over a four year period. Consideration paid to October 31, 2007 is $115,000 U.S. and the issuance of 400,000 common shares of the Company, after receiving TSXV acceptance of the agreement for filing on November 8, 2004. Upon receipt of a feasibility report and commencement of commercial production, royalties of $1.00 U.S. per ounce of contained reserve gold and between $1.00 U.S. and $2.00 U.S. per ounce of gold produced, respectively, will be payable to the Optionor. During the year ended October 31, 2005, the Company's wholly owned subsidiary, Cassidy Gold Guinea, was granted the Kouroussa North Exploration Permit covering 161 square kilometres contiguous to the north and extending east from the Company's existing Kouroussa Property. The permit is for an initial term of two years, and is subject to a 15% State participation.

6. Mineral Property Interests (Cont'd)

(a) Kouroussa Gold Exploration Permits (Cont'd)

During the year ended October 31, 2006, the Company's wholly owned subsidiary, Cassidy Gold Guinea, was granted the Kouroussa West Exploration Permit covering 226 square kilometres contiguous to the west of the Company's Tambiko gold exploration permit. The Kouroussa West Exploration Permit authorizes the Company to explore for gold and associated minerals on the permit area for an initial term of two years, subject to a 15% State participation.

(b) Tambiko and Siguiri Gold Exploration Permits

By mineral property option agreements dated July 24, 2003 between the Company and Société Miniere Africaine (MINA) S.A.R.L. ("Mina"), the Company was granted an option to acquire a 100% undivided interest, subject to a 15% State participation, in each of the Tambiko and Siguiri gold exploration permits (the "Properties") located in the Kouroussa and Siguiri regions of the Republic of Guinea, West Africa. The Tambiko concession encompasses a 10 kilometre wide corridor abutting the Company's Kouroussa Property to the east, south and west having an area of 250 square kilometres. The Siguiri concession encompasses an area of approximately 191 square kilometres of prospective Birimian terrain.

The terms of both mineral property option agreements were essentially the same, allowing the Company to earn a 100% interest in the respective concessions by initially making cash payments totalling US$64,500 and issuing 300,000 common shares of the Company over a five year period to Mina on each of the Properties. The anniversary share issuances all required future TSXV acceptance, which acceptance for all of the issuances was received on December 9, 2005. On September 24, 2004, the Company acquired a 75% controlling interest in Mina. Consideration paid was $45,000 U.S. and the issuance of 225,000 common shares of the Company which has reduced the previously disclosed cash payment and share issuance obligations by 75%. This transaction received TSXV acceptance on October 8, 2004.

By agreements dated February 1, 2006, the Company formally amended the July 24, 2003 mineral property option agreements, and are now committed to make the following cash payments and share allotments and issuances to Mina on each of the Properties as follows:

- Upon the 1st anniversary of the July 29, 2003 TSXV acceptance, paying a further US$1,250 and issuing a further 12,500 common shares of the Company (paid and issued);
- Upon the 2nd anniversary of the July 29, 2003 TSXV acceptance, paying a further US$2,500 and issuing a further 12,500 common shares of the Company (paid and issued);
- Upon the 3rd anniversary of the July 29, 2003 TSXV acceptance, paying a further US$3,750 and issuing a further 12,500 common shares of the Company (paid and issued);
- Upon the 4th anniversary of the July 29, 2003 TSXV acceptance, paying a further US$5,000 and issuing a further 12,500 common shares of the Company;

6. Mineral Property Interests (Cont'd)

(b) Tambiko and Siguiri Gold Exploration Permits (Cont'd)

- Thereafter, provided the permits are renewed and remain in good standing, upon each anniversary of the July 29, 2003 TSXV acceptance, paying a further US$6,250;
- Upon initiating test production of the Properties, paying US$12,500; and
- Upon the initiation of successful commercial production, paying US$25,000.

The Company has also agreed to pay to Mina a royalty as follows:

- Upon the completion of a positive feasibility study, the Company will pay to Mina 25% of US$1 per ounce of gold contained in such reserve as established by the feasibility study and in accordance with National Instrument 43-101 ; and
- Upon production of gold from the Properties, the Company will pay to Mina, on a quarterly basis, a royalty ranging from 25% of US$1 per ounce of gold produced if the average closing price of the London Fix for the quarter is less than US$350 per ounce to 25% of US$2 per ounce of gold produced if the average closing price of the London Fix for the quarter is more than US$450 per ounce.

The Company determined to write-off its costs relating to the Siguiri Gold Exploration Permit. These costs have been written off in the Company's consolidated statement of operations for the year ended October 31, 2007.

7. Share Capital

(a) Authorized

Unlimited common shares without par value

(b) Issued

	Number Of Shares	Amount
Balance, October 31, 2005	46,271,261	$ 15,451,368
Issued during the year:		
Private placements (Note 7(c))	20,833,333	11,300,000
Exercise of share purchase warrants	5,193,511	3,839,229
Exercise of stock options	530,000	152,450
Issued for mineral property interests	175,000	129,000
Contributed surplus allocated on option exercises	-	36,043
Contributed surplus allocated on warrant exercise	-	156,123
Balance, October 31, 2006	73,003,105	31,064,213
Issued during the year:		
Private placement (Note 7 (c))	8,000,000	4,000,000
Issued for mineral property interests	100,000	59,000
Balance, October 31, 2007	81,103,105	$ 35,123,213

(c) Private Placement Financings

For the following private placement financings the Company applied the residual approach and allocated total net proceeds to the common shares and $NIL to the attached share purchase warrants.

7. Share Capital (Cont'd)

(c) Private Placement Financings (Cont'd)

During the year ended October 31, 2007, the Company completed a brokered private placement of 8,000,000 units at a price of $0.50 per unit, comprised of one common share and one two year non-transferable share purchase warrant. Net proceeds of $4,000,000 were received on the issuance of 8,000,000 units. One warrant entitles the holder to purchase one common share for $0.65 per share until October 25, 2009. A total of 4,000,000 common shares were reserved for issuance pursuant to the exercise of the warrants. In connection with this financing, a finder's fee of $240,000 cash was paid and share purchase warrants entitling the finder to purchase 480,000 common shares of the Company at $0.50 per share until October 25, 2009, were issued. The estimated fair value of the finder's fee warrants is recorded as share issuance costs of $59,710 with a corresponding amount in contributed surplus on the consolidated balance sheet.

During the year ended October 31, 2006, the Company completed a non-brokered private placement of 2,080,000 units at a price of $0.50 per unit, comprised of one common share and one two year non-transferable share purchase warrant. Net proceeds of $1,040,000 were received on the issuance of 2,080,000 units. One warrant entitles the holder to purchase one common share for $0.75 per share until December 23, 2007. A total of 2,080,000 common shares were reserved for issuance pursuant to the exercise of the warrants. The warrants are subject to an accelerated conversion provision where in the event that the Company's shares trade at a closing price greater that $1.00 for 20 consecutive trading days at any time after four months and one day after the closing date, the Company may give notice to the holders that the expiry date for the exercise of warrants has been accelerated and the warrants will expire on the 20th calendar day following the date of such notice.

During the year ended October 31, 2006, the Company completed a brokered private placement of 9,920,000 units at a price of $0.50 per unit, comprised of one common share and one two year non-transferable share purchase warrant. Net proceeds of $4,960,000 were received on the issuance of 9,920,000 units. One warrant entitles the holder to purchase one common share for $0.75 per share until December 29, 2007. A total of 9,920,000 common shares were reserved for issuance pursuant to the exercise of the warrants. In connection with this financing, a finder's fee of $396,800 cash was paid and share purchase warrants entitling the agent to purchase 793,600 common shares of the Company at a price of $0.50 per share to December 29, 2007 were issued. The estimated fair value of the finder's fee warrants is recorded as share issuance costs of $156,123 with a corresponding amount in contributed surplus on the consolidated balance sheet. With the subsequent exercise of these warrants, the $156,123 has now been disclosed with share capital. The share purchase warrants are subject to an accelerated conversion provision where in the event that the Company's shares trade at a closing price greater that $1.00 for 20 consecutive trading days at any time after four months and one day after the closing date, the Company may give notice to the holders that the expiry date for the exercise of warrants has been accelerated and the warrants will expire on the 20th calendar day following the date of such notice.

7. Share Capital (Cont'd)

(c) Private Placement Financings (Cont'd)

During the year ended October 31, 2006, the Company completed a brokered private placement of 8,333,333 units at a price of $0.60 per unit, with each unit comprised of one common share. Net proceeds of $5,000,000 were received on the issuance of 8,333,333 units. In connection with this financing, the Company paid a finder's fee of 6% gross proceeds and issued brokers' warrants equal to 6% of the number of common shares sold, at an exercise price of $0.60 per common share, exercisable to March 30, 2008. The estimated fair value of the finder's fee warrants is recorded as share issuance costs of $168,566 with a corresponding amount in contributed surplus on the consolidated balance sheet. Concurrently, the Company completed a non-brokered private placement of 500,000 units at a price of $0.60 per unit. Net proceeds of $300,000 were received on the issuance of 500,000 units.

(d) Subsequent Issuance

On November 1, 2007, the Company issued 100,000 common shares to Saniexplore (SAEX) S.A.R.L. pursuant to the September 1, 2004 agreement disclosed in Note 6 (a).

(e) Stock Options

The Company has a stock option plan available to individual grantees only, whereby a "rolling" maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The term of the stock options granted are fixed by the board of directors and are not to exceed five years. The exercise prices of the stock options are determined by the board of directors, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant the stock options, less any discount permitted by the TSXV. The stock options vest immediately on the date of grant unless otherwise required by the TSXV, however, a four month hold period applies to all shares issued under each stock option, commencing on the date of grant. Other terms and conditions are as follows: all stock options are non-transferable; no more than 5% of the Company's issued shares may be granted to any one individual in any 12 month period; no more than 2% of the Company's issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period; disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the holder is an insider, (ii) any grant of stock options to insiders, within a 12 month period, exceeding 5% of the Company's issued shares; and stock options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

7. Share Capital (Cont'd)

(e) Stock Options (Cont'd)

	Number Of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Options outstanding and exercisable,			
Options outstanding, October 31, 2005	3,120,000	$ 0.91	3.33
Granted	2,950,000	$ 0.50	
Exercised	(530,000)	$(0.29)	
Expired/Cancelled	(1,630,000)	$(1.39)	
Options outstanding and exercisable,			
Options outstanding, October 31, 2006	3,910,000	$ 0.49	3.59
Granted	230,000	$ 0.65	
Expired/Cancelled	(350,000)	$(0.54)	
Options outstanding, October 31, 2007	3,790,000	$ 0.49	2.63
Options exercisable, October 31, 2007	3,790,000		

As at October 31, 2007 the Company has the following stock options outstanding:

Exercise Price Per Share	Expiry Date	Balance Oct. 31, 2006	Granted	Exercised	Expired/ Cancelled	Balance Oct. 31, 2007
$0.72	November 20, 2007	-	100,000	-	(100,000)	-
$0.55	January 29, 2008	200,000	-	-	-	200,000
$0.30	July 14, 2008	100,000	-	-	-	100,000
$0.75	March 31, 2009	100,000	-	-	-	100,000
$0.40	September 27, 2009	750,000	-	-	(100,000)	650,000
$0.50	December 5, 2009	30,000	-	-	-	30,000
$0.50	November 17, 2010	2,680,000	-	-	(100,000)	2,580,000
$0.55	October 30, 2011	50,000	-	-	(50,000)	-
$0.60	February 1, 2012	-	100,000	-	-	100,000
$0.55	April 11, 2012	-	30,000	-	-	30,000
		3,910,000	230,000	-	(350,000)	3,790,000

(f) Share Purchase Warrants

As at October 31, 2007 the Company has the following share purchase warrants outstanding:

Exercise Price Per Share	Expiry Date	Balance Oct. 31, 2006	Issued	Exercised	Expired/ Cancelled	Balance Oct. 31, 2007
$0.60	July 7, 2007	900,000	-	-	(900,000)	-
$0.70	February 25, 2007	1,500,000	-	-	(1,500,000)	-
$0.75	December 23, 2007	2,080,000	-	-	-	2,080,000
$0.75	December 29, 2007	8,370,000	-	-	-	8,370,000
$0.60	March 30, 2008	500,000	-	-	-	500,000
$0.65	October 25, 2009	-	8,000,000	-	-	8,000,000
$0.50	October 25, 2009	-	480,000	-	-	480,000
		13,350,000	8,480,000	-	(2,400,000)	19,430,000

Subsequent to October 31, 2007 all of the 10,450,000 share purchase warrants with December, 2007 expiry dates lapsed.

8. Contributed Surplus

Contributed surplus is comprised of the following as at October 31, 2007 and 2006:

	2007	2006
Balance, beginning of year	$ 1,285,002	$ 556,774
Stock-based compensation	35,635	595,705
Investor relations	8,285	-
Reclassified to share capital on exercise of stock options	-	(4,083)
Compensation options issued as finder's fees	59,711	136,606
Reclassified to share capital on exercise of compensation options	-	-
Balance, end of year	$ 1,388,633	$ 1,285,002

9. Accumulated Other Comprehensive Income

	2007
Adjustments to November 1, 2006 opening balance:	
Unrealized gains on investments in public company shares (Note 3b))	$ 9,750
Accumulated other comprehensive income, November 1, 2006	9,750
Unrealized gains on investments in public company shares	22,750
Accumulated other comprehensive income, October 31, 2007	$ 32,500

10. Related Party Transactions

The following related party transactions occurred during the years ended October 31, 2007 and 2006:

	2007	2006
Management fees and rent paid or accrued to a company controlled by a director of the Company	$ 54,000	$ 50,400
Professional services paid or accrued to an officer or to companies controlled by directors and officers of the Company	$ 61,338	$ 108,229
Rent received from a company with similar directors and officers	$ 2,256	$ -

Common shares were issued to the following related parties during the years ended October 31, 2007 and 2006:

	2007	2006
Issued to directors and officers and to companies controlled by directors of the Company on the exercise of share purchase warrants and in private placements at $0.80 per share	-	65,676
Issued to directors, and officers of the Company on the exercise of stock options		
at $0.18 per share	-	215,000
at $0.25 per share	-	95,000
at $0.40 per share	-	200,000

11. Income Taxes

No provision for recovery of income taxes was made in 2007 and 2006 because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for tax purposes of approximately $8,557,116 (2006 - $5,989,653) which expire in various years to 2027 as follows:

2008	$ 123,831
2009	192,188
2010	537,349
2014	1,264,201
2015	1,634,068
2026	2,127,056
2027	2,678,423
	$ 8,557,116

As at October 31, 2007, the Company has undeducted resource related expenses of approximately $18,685,000 (2006 - $13,860,000) available for deduction against future Canadian taxable income. These expenses have no expiration date. In addition, the Company has undeducted share issuance costs totalling $943,757 (2006 - $955,792) which are also available for deduction against future Canadian taxable income. Future income tax assets and liabilities are recognized for temporary differences between the carrying amount of the consolidated balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

	2007	2006
Loss for the year	$ (817,958)	$ (987,707)
Tax rate	31.00%	34.12%
Calculated income tax recovery	(253,567)	(337,006)
Increase in valuation allowance	253,567	337,006
Income tax expense	$ -	$ -

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2007	2006
Future income tax assets		
Temporary differences in assets	$ (848,622)	$ (361,037)
Non-capital loss carry forwards	2,652,706	2,043,669
	1,804,084	1,682,632
Valuation allowance for future income tax assets	(1,804,084)	(1,682,632)
	$ -	$ -

12. Commitments

(a) The Company has a management services agreement with a company controlled by a director of the Company requiring payments of $4,500 per month plus taxes. The agreement is in effect until June 30, 2011 unless sooner terminated in accordance with the provisions of the agreement.

(b) Effective November 21, 2006 the Company entered into a one year investor relations agreement requiring payments of $7,500 per month plus taxes unless sooner terminated in accordance with the provisions of the agreement. The Company terminated the agreement effective August 5, 2007.

13. Segmented Information

	2007	2006
Assets by geographic segment:		
Canada	$ 4,217,914	8,072,711
Guinea, West Africa	22,978,522	16,338,034
	$ 27,196,436	$ 24,410,745

14. Stock Based Compensation

The Company granted a total of 230,000 (2006 - 2,950,000) stock options to directors, officers, employees and consultants during the years ended October 31, 2007 and 2006. The fair value of these options was $43,920 (2006 - $595,705), with the Company expensing this assigned value.

The fair value of these stock options was estimated at the grant date based on the Black-Scholes option pricing model, using the following weighted-average assumptions:

	2007	2006
Expected dividend yield (%)	Nil	Nil
Risk-free interest rate (%)	3.94 - 4.70	4.02 - 4.30
Expected life (years)	1.00 - 3.00	2.00 - 3.25
Expected volatility (%)	41.10 - 65.19	48.00 - 58.85

15. Contingency

On December 19, 2005 a Writ of Summons and Statement of Claim (the "Statement of Claim") was filed in the Supreme Court of British Columbia by Guinea Golden Mines S.A.R.L. ("GGM") against the Company and the President of the Company. The Statement of Claim was filed in connection with the October 4, 2002 agreement (the "Option Agreement") between the Company and GGM disclosed in note 6(a) to these consolidated financial statements.

The Statement of Claim contains several allegations, including the refusal of the Company to protect GGM's rights under the permit, causing the permit to lapse and a new permit to be issued to the Company. The Statement of Claim also alleges that the Company acted in bad faith, in breach of contract and in a manner contrary to its fiduciary and other duties owed to GGM as trustee of GGM's interest in the permit and project. Under the Statement of Claim, GGM is seeking, among other things, a declaration that the Company holds the permit to explore the Property in trust for, or on behalf of, GGM, judgement against the Company for US$105,000 being amounts allegedly owing under the Option Agreement, the issuance by the Company to GGM of 300,000 common shares of the Company, unspecified damages and punitive damages, and certain other relief, against the Company and the President of the Company, as co-defendants.

The Company disputes all claims against it, and management is of the opinion that the outcome of any claims cannot be determined, and that the extent of the claims cannot be reasonably estimated. No amounts in respect of these claims have been accrued in the consolidated financial statements.