



**CASSIDY  
GOLD CORP.**

**(AN EXPLORATION STAGE COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**April 30, 2009**

**(Unaudited)**

**MANAGEMENT'S COMMENTS ON  
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Cassidy Gold Corp. as at April 30, 2009 and for the six months ended April 30, 2009 and 2008 have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT APRIL 30, 2009 AND OCTOBER 31, 2008**  
**(Unaudited)**

	<b>April 30, 2009</b>	<b>(Note 14) October 31, 2008</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and equivalents (Note 1)	\$ 160,154	\$ 1,042,219
Investments	82,500	46,750
Amounts receivable	187	7,299
Due from related companies (Note 8(b))	14,929	7,635
Deferred costs	171,841	-
Prepaid expenses and advances	42,750	44,492
	472,361	1,148,395
<b>Exploration Advances</b>	9,012	8,600
<b>Equipment</b> (Note 5)	28,215	65,856
<b>Mineral Property Interests</b> (Statement) (Note 6)	680,223	669,563
<b>Deferred Exploration Expenditures</b> (Statement)	25,036,967	24,654,238
	\$ 26,226,778	\$ 26,546,652
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	\$ 42,809	\$ 155,161
<b>Commitment</b> (Note 11)		
<b>Contingency</b> (Note 13)		
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 7 (b))	35,182,963	35,182,963
<b>Contributed Surplus</b>	1,462,108	1,388,633
<b>Deficit</b>	(10,419,602)	(10,202,855)
<b>Accumulated Other Comprehensive Income (Loss)</b> (Note 9)	(41,500)	22,750
	26,183,969	26,391,491
	\$ 26,226,778	\$ 26,546,652

**Approved By The Directors:**

James T. Gillis Director

Christopher J. Wild Director

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTH AND SIX MONTHS ENDED APRIL 30, 2009 AND 2008**  
**(Unaudited)**

	<b>Three Months Ended April 30, 2009</b>	<b>Three Months Ended April 30, 2008</b>	<b>Six Months Ended April 30, 2009</b>	<b>Six Months Ended April 30, 2008</b>
<b>Administrative Expenses</b>				
Accounting and audit	9,645	17,850	20,545	27,135
Advertising and promotion	6,229	10,190	10,270	24,997
Amortization of equipment	2,089	2,430	4,178	20,288
Communications	1,388	-	1,388	-
Consulting fees	12,000	-	12,000	-
- Stock-based compensation (Note 7 (d))	-	-	7,852	-
Corporate development				
- Stock-based compensation (Note 7 (d))	21,320	-	58,408	-
Dues, conferences and subscriptions	1,738	10,828	2,645	50,886
Interest, bank charges and foreign exchange loss (gain)	871	(4,499)	1,028	(142,175)
Investor relations	-	2,728	-	2,728
Legal	662	10,658	830	11,033
Management fees (Note 8 (a))	17,500	13,500	31,000	27,000
Office, clerical and sundry	1,350	2,920	3,172	5,973
Regulatory and filing fees	4,370	5,108	7,383	7,233
Rent and telephone	4,095	9,993	8,092	16,584
Stock-based compensation (Note 7(d))	2,635	-	7,213	-
Transfer agent fees	2,518	2,324	4,899	3,977
Travel and accommodation	-	19,091	5,470	39,505
Wages and benefits	18,285	15,987	33,942	33,150
<b>Net Loss Before Other Items</b>	<b>(106,695)</b>	<b>(119,108)</b>	<b>(220,315)</b>	<b>(128,314)</b>
<b>Other Items</b>				
Interest and rental income	343	31,856	3,569	62,623
Loss on disposal of equipment	-	(10,879)	-	(10,879)
<b>Net Loss</b>	<b>(106,352)</b>	<b>(98,131)</b>	<b>(216,746)</b>	<b>(76,570)</b>
<b>Loss Per Share</b>	<b>\$(0.01)</b>	<b>\$(0.01)</b>	<b>\$(0.01)</b>	<b>\$(0.01)</b>
<b>Weighted Average Shares Outstanding</b>	<b>81,315,605</b>	<b>81,203,105</b>	<b>81,315,605</b>	<b>81,203,105</b>

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**INTERIM CONSOLIDATED STATEMENTS OF DEFICIT**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2009 AND 2008**  
**(Unaudited)**

	<b>2009</b>	<b>2008</b>
<b>Deficit, Beginning Of Period</b>	<b>\$(10,202,856)</b>	<b>\$(9,757,638)</b>
<b>Net Income (Loss)</b>	<b>(216,746)</b>	<b>(76,570)</b>
<b>Deficit, End Of Period</b>	<b>\$(10,419,602)</b>	<b>\$(9,834,208)</b>

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2009 AND 2008**  
**(Unaudited)**

	<b>Three Months Ended April 30, 2009</b>	<b>Three Months Ended April 30, 2008</b>	<b>Six Months Ended April 30, 2009</b>	<b>Six Months Ended April 30, 2008</b>
<b>Cash Provided By (Used For):</b>				
<b>Operating Activities</b>				
Net loss	(106,352)	(98,131)	(216,746)	(76,570)
Items not requiring cash:				
Loss on disposal of equipment	-	10,879	-	10,879
Amortization of equipment	2,089	2,430	4,178	20,288
Stock-based compensation	23,955	-	73,473	-
Net change in non-cash working capital items:	(202,820)	466,372	(60,929)	77,061
Cash used for operating activities	(283,128)	381,550	(200,024)	31,658
<b>Investing Activities</b>				
Advances from (to) related companies	(7,294)	47,235	(7,798)	(25,358)
Acquisition of investments	(9,012)		(100,000)	
Proceeds from disposal of equipment	-	3,000	-	3,000
Acquisition of mineral property interests for cash	-	(25,123)	(10,661)	(33,723)
Deferred exploration expenditures paid	(62,450)	(1,498,060)	(563,582)	(2,024,143)
Cash used for investing activities	(242,799)	(1,472,948)	(682,041)	(2,080,224)
<b>Decrease In Cash</b>	(361,884)	(1,091,398)	(882,065)	(2,048,566)
<b>Cash and Equivalents, Beginning Of Period</b>	522,038	3,161,507	1,042,219	4,118,675
<b>Cash and Equivalents, End Of Period</b>	160,154	2,070,109	160,154	2,070,109

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**INTERIM CONSOLIDATED STATEMENTS OF MINERAL PROPERTY INTERESTS**  
**AS AT APRIL 30, 2009 AND OCTOBER 31, 2008**  
**(Unaudited)**

	<b>(Note 14) October 31, 2008</b>	<b>Additions</b>	<b>April 30, 2009</b>
Kouroussa and Tambiko Gold Exploration Permits			
Guinea, West Africa			
100% option or ownership interests	\$ 669,563	\$ 10,660	\$680,223

	<b>October 31, 2007</b>	<b>Additions</b>	<b>Write off on Abandonment</b>	<b>October 31, 2008</b>
Kouroussa, Tambiko & Siguiri Gold Exploration Permits				
Guinea, West Africa				
100% option or ownership interests	\$ 691,195	\$ 187,742	\$ (209,374)	\$ 669,563

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**INTERIM CONSOLIDATED STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2009 AND 2008**  
**(Unaudited)**

	<b>2009</b>	<b>2008</b>
<b>Kouroussa Gold Exploration Permits</b>		
Balance, beginning of period	\$ 24,654,238	\$ 21,851,712
Assays	7,231	132,514
Camp management and operations	35,178	146,079
Consulting	88,370	432,142
Drilling	-	476,402
Equipment rental	47,596	71,417
Fuel	37,996	546,654
Geochemical and geological (Note 8 (a))	692	31,955
Sundry	3,247	-
Supplies and equipment	1,232	28,209
Technical support (Note 8 (a))	63,103	140,651
Travel and accommodation	13,457	12,743
<b>Balance, end of period</b>	<b>24,952,340</b>	<b>23,875,855</b>
<b>Gedabo Gold Exploration Permits</b>		
Balance, beginning of period	-	-
Assays	17,245	-
Camp management and operations	6,301	-
Consulting	14,056	-
Equipment rental	794	-
Technical support (Note 8 (a))	3,504	-
Travel and accommodation	684	-
<b>Balance, end of period</b>	<b>42,584</b>	<b>-</b>
<b>Kanweaken Gold Exploration Permits</b>		
Balance, beginning of period	-	-
Assays	17,245	-
Camp management and operations	5,671	-
Consulting	14,416	-
Equipment rental	650	-
Technical support (Note 8 (a))	3,377	-
Travel and accommodation	684	-
<b>Balance, end of period</b>	<b>42,043</b>	<b>-</b>
<b>Tambiko &amp; Siguiru Gold Exploration Permits</b>		
Balance, beginning of period	-	28,879
<b>Balance, end of period</b>	<b>-</b>	<b>28,879</b>
<b>Balance, April 30, 2009 and 2008</b>	<b>\$ 25,036,967</b>	<b>\$ 23,904,734</b>

**CASSIDY GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**APRIL 30, 2009**  
**(Unaudited)**

**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 development 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 April 30, 2009, the Company had a deficit of \$10,419,602 and working capital of \$257,711. 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.

Although the Company had 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 properties, 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.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its subsidiaries, Minière Africaine (Mina) S.A.R.L. (“Mina”) and Société Cassidy Gold Guinea S.A.R.L. (“Cassidy Gold Guinea”) (both Guinean corporations). Mina, as disclosed below, was acquired by the Company in the year ended October 31, 2004, and holds the rights to the Company’s interests in the Tambiko 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 Kouroussa North Exploration Permit. 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 statement 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 April 30, 2009 and 2008 and the results of its operations for the periods ended April 30, 2009 and 2008.

**Measurement Uncertainty**

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 period. Actual results could differ from those estimates.

The Company’s current investments in marketable securities 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.

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**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 April 30, 2009 cash and equivalents of \$702 (October 31, 2008 \$9,098) are held in US dollars and are disclosed in these consolidated financial statements at their Canadian dollar equivalent.

	<u>April 30, 2009</u>	<u>(Note 14) October 31, 2008</u>
Cash	\$ 35,154	\$ 72,049
Money market funds	125,000	270,170
Bankers' acceptances	-	700,000
	<u>\$ 160,154</u>	<u>\$1,042,219</u>

**Investments**

The following portfolio investments are recorded at market value:

<u>Number Of Issuer</u>	<u>Class Of Security</u>	<u>Quantity</u>	<u>Book Value April 30, 2009</u>	<u>Market Value April 30, 2009</u>	<u>(Note 14) Market Value October 31, 2008</u>
Africa West Minerals Corp	Common shares	1,000,000	\$ 100,000	\$ 35,000	\$ -
Navasota Resources Ltd	Common shares	150,000	16,500	33,750	41,250
Rockgate Capital Corp.	Common shares	25,000	7,500	13,750	5,500
			<u>\$ 124,000</u>	<u>\$ 82,500</u>	<u>\$ 46,750</u>

**Mineral Property Interests and Deferred Exploration Expenditures**

The cost of mineral property interests and their related direct exploration expenditures are deferred until the properties are placed into production, sold or abandoned. These deferred expenditures will be amortized on a unit-of-production basis over the estimated useful life of the properties following the commencement of production, or written-off if the properties 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.

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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.

**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 the Company 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 liability 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 April 30, 2009 and 2008, the Company does not have any asset retirement obligations.

**Future 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 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.

**Share Capital Issued For Other Than Cash**

Share capital issued for other than cash is valued at the price at which the Company's common shares traded on the TSXV at the time the related agreement to issue common shares is made or, if such issuance is at the option of the Company, at the time the Company determines to issue such common shares.

**Revenue Recognition**

The Company recognizes interest income as earned, dividends when declared, and investment 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 investments and their respective cost base. Unrealized gains and losses on available-for-sale investments are recorded in other comprehensive income and recognized in operations when realized.

Transaction costs are included in the acquisition cost of individual investments 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 an investment 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.

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**Stock-Based Compensation**

All stock-based awards made to employees and non-employees are measured and recognized using a fair value method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of the options is accrued and charged to operations over the vesting period, with the offsetting credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

**Loss Per Share**

The Company uses the treasury stock method to compute the dilutive effect of stock options, share purchase warrants and similar instruments. Under this method, the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of these instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per common share has not been disclosed separately as this calculation proved to be anti-dilutive. Basic and diluted loss per common share is calculated using the weighted average number of shares outstanding during the year.

**2. Adoption Of New Accounting Policies**

**Changes In Accounting Policies**

The Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (the "CICA"):

**(a) Comprehensive Income And Financial Instruments**

Effective November 1, 2006, the Company adopted CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation, and Section 3865, Hedges. Under these new accounting standards which apply to fiscal years beginning on or after October 1, 2006, comprehensive requirements are provided for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Section 1530 establishes standards for reporting and presenting comprehensive income or loss, which is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from net income or loss calculated in accordance with Canadian GAAP such as unrealized gains or losses on available-for-sale investments. Amounts initially recorded to other comprehensive income or loss are reclassified to net income when the financial instrument is derecognized or impaired.

Under these new standards, financial instruments are classified as one of the following: loans and receivables, held-to-maturity, held-for-trading, and available-for-sale financial assets and other financial liabilities. Financial instruments are measured on the consolidated balance sheet at amortized cost or fair value depending on the classification. Loans and receivables, held-to-maturity financial assets and other financial liabilities are accounted for at amortized cost. Held-for-trading and available-for-sale financial assets are recorded at fair value on the consolidated balance sheet. Changes in fair value of held-for-trading financial assets are recognized in net income or loss while changes in fair value of available-for-sale financial assets are initially recorded in other comprehensive income or loss. Transaction costs are included in the acquisition cost of individual investments 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.

Effective November 1, 2006, the Company classified its accounts payable and accrued liabilities as other financial liabilities and accounted for them at amortized cost.

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**(b) Accounting Changes**

Effective November 1, 2007, the Company adopted the new CICA Handbook Section 1506 Accounting Changes. Under these new accounting standards, voluntary changes in accounting policies are permitted only when they result in the consolidated financial statements providing reliable and more relevant information. This section requires changes in accounting policies to be applied retroactively unless doing so is impracticable, requires prior period errors to be corrected retroactively and requires enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the consolidated financial statements. These accounting standards also require the disclosure of new primary sources of Canadian GAAP that have been issued but are not yet effective. The impact that the adoption of this section will have on the Company's consolidated financial statements will depend on the nature of future accounting changes and the required additional disclosure of Recent Accounting Pronouncements.

**(c) Capital Disclosures - Section 1535**

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such noncompliance. This standard is effective for the Company for interim and annual periods relating to fiscal years beginning on or after November 1, 2007.

**(d) Financial Instruments - Disclosure - Section 3862 And Presentation - Section 3863**

These standards will replace CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation. They increase the disclosures currently required which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk, currency risk, interest rate risk, and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel. This standard is effective for the Company for interim and annual periods relating to fiscal years beginning on or after November 1, 2007.

**(e) Going Concern - Amendments To Section 1400**

CICA Handbook Section 1400, General Standards of Financial Statement Presentation, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. This standard is effective for the Company for interim and annual periods relating to fiscal years beginning on or after January 1, 2008.

**(f) Goodwill And Intangible Assets**

CICA Handbook Section 3064 replaces CICA Handbook Section 3062, "Goodwill and Intangible Assets" and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. This standard is effective for the Company for interim and annual periods relating to fiscal years beginning on or after October 1, 2008.

**Future Changes In Accounting Policies**

**International Financial Reporting Standards ("IFRS")**

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February, 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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**(Unaudited)**

**3. Management Of Capital**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in highly liquid investments which are readily convertible into cash with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company currently has no externally imposed capital requirements.

The Company expects that its current capital resources will not be sufficient to carry out exploration through its current operating period.

**4. Financial Instruments**

**(a) Fair value**

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

**(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) Foreign exchange risk**

The Company's only foreign exchange risk from financial instruments is its exposure to US Dollar exchange rate changes on accounts payable arising from \$US exploration expenditures in Africa. Due to the short term nature of these liabilities, the risk is not considered material by management and no hedging is considered necessary.

**(e) 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.

**(f) Liquidity risk**

The Company is exposed to liquidity risk due to the difficulties in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash and short-term investment balances.

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The Company's expected source of cash flow in the upcoming year will be through equity financing and future loan facilities.

Cash and equivalents on hand at April 30, 2009, and expected future cash flows are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

**5. Equipment**

	April 30, 2009			(Note 14) October 31, 2008
	Rate	Cost	Accumulated Amortization	Net Book Value
Automotive equipment	30%	37,211	30,755	6,456
Computer equipment	30%	16,864	7,365	9,499
Furniture and equipment	20%	14,521	2,261	12,260
		<u>\$ 68,596</u>	<u>\$ 40,381</u>	<u>\$ 28,215</u>
				<u>\$ 65,856</u>

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 1<sup>st</sup> 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 Société Cassidy Gold Guinea S.A.R.L. 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 gold 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 in the first year is \$25,000 U.S. (paid) and the issuance of 200,000 common shares (issued) of the Company upon TSXV acceptance of the agreement for filing. This

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acceptance was received on November 8, 2004, and all 600,000 common shares of the Company have now been issued to the Optionor. 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. The Company has relinquished 50% of the Kouroussa exploration permit area as required by the Guinean Mining Code, renaming the retained South half of the original permit "Cassidy 1". The Company incorporated a new 100% owned Guinean subsidiary called Kouroussa Gold Guinea, applied for and was granted the relinquished half (North) of the former Kouroussa Permit, renaming that permit "Kouroussa 1". The Company now holds 100% of the original Permit area which subsists until October 13, 2010.

During the year ended October 31, 2005, the Company's wholly owned subsidiary, Cassidy Gold Guinea, was granted an exploration permit for the Kouroussa North Property covering 161 square kilometres contiguous to the north and extending east from the Company's existing Kouroussa Property. The permit is subject to a 15% State participation. The Company has relinquished 50% of the Kouroussa North exploration permit area as required by the Guinean Mining Code, renaming the retained West half of the original permit "Cassidy 2". The Company incorporated a new 100% owned Guinean subsidiary called Kouroussa Gold Guinea, applied for and was granted the relinquished half (East) of the former Kouroussa North Permit, renaming that permit "Kouroussa 3". The Company now holds 100% of the original Permit area which now is in good standing until October 13, 2010.

During the year ended October 31, 2006, the Company's wholly owned subsidiary, Cassidy Gold Guinea SARL, was granted an exploration permit for the Kouroussa West Property covering 226 square kilometres contiguous to the west of Cassidy's Tambiko Permit, part of the Kouroussa Property. The Kouroussa West Exploration Permit authorizes the company to explore for gold and associated minerals on the permit area subject to a 15% state participation. The Company has relinquished 50% of the Kouroussa West permit area as required by the Guinean Mining Code, renaming the retained South half of the original permit "Cassidy 3". The Company incorporated a new 100% owned Guinean subsidiary called Kouroussa Gold Guinea, applied for and was granted the relinquished half (North) of the former Kouroussa West Permit, renaming that permit the "Kouroussa 2" Permit. The Company now holds 100% of the original Permit area which now subsists until October 13, 2010.

**(b) Tambiko and Siguiri Exploration Permits**

By mineral property option agreements dated July 24, 2003 between the Company and Société Minière Africaine 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 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 totaling 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 is 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);

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- 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;
- 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 Tambiko Permits have been reduced by 50% of their area as required by the Guinean Mining Code of 1995 and are now in good standing until October 18, 2010.

On February 18, 2009 the Company announced that it would not renew the Siguiri Permit. The Company has written off its costs relating to the Siguiri Gold Exploration Permit in the Company's consolidated statement of operations for the year ended October 31, 2007.

**(c) Kanweaken and Gedabo Exploration Permits**

By mineral property option agreements dated November 10, 2008 between the Company and Africa West Minerals Corp. (Africa West) the Company was granted the option to acquire a 60% interest in Africa West's interest in two mineral licences located in the Republic of Liberia, the Kanweaken and Gedabo exploration licenses, situated approximately 350 km S.E. of Monrovia, the capital of Liberia, and 50km N. of the port town of Harper. The Government of the Republic of Liberia has granted to Africa West's indirectly owned subsidiary, Liberian Gold Corporation Inc., mineral exploration rights over approximately 480km<sup>2</sup> (formerly 960km<sup>2</sup>) on the eastern side of the Gedabo area, situated in the Maryland and River Gee Counties, Republic of Liberia, and mineral exploration rights over approximately 500km<sup>2</sup> (formerly 1000 km<sup>2</sup>) in the Grand Kru, Maryland and River Gee Counties, Republic of Liberia. The exploration licenses for the above two properties are under the terms of Mineral Exploration Agreements (MEA) issued by the Government of the Republic of Liberia issued to Liberian Gold Corporation Inc. The licenses include rights to all mineral commodities. The MEA's were effective March 5, 2005 and had a term of three years (Exploration Period) from March 22, 2005. An extension of two years was granted to Africa West by the Government of Liberia effective June 12, 2008 and expiring on June 9, 2010. Pursuant to the extension of the Agreements, Africa West was required to reduce the size of the Licenses by 50%.

In consideration for the grant of the option, Cassidy subscribed for 1,000,000 common shares of Africa West at a price of \$0.10 per share. In order to maintain the option, Cassidy is required to fulfill Africa West's obligations under the relevant license agreements by paying an annual renewal fee of US \$5,000 per license on or before each of June 9, 2009 and June 9, 2010, paying annual rental fees of a maximum amount of US\$43,588 on or before each of June 9, 2009 and June 9, 2010 and incurring expenditures in the maximum amount of \$484,316 on or before each of June 9, 2009 and June 9, 2010. In the event that Africa West determines to abandon any concessions comprising the property, the annual rental fees and expenditures will decrease correspondingly.

Subsequent to the end of the quarter, the Company determined to drop its option with respect to the Kanweaken and Gedabo Exploration Permits.

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**7. Share Capital**

**(a) Authorized**

Unlimited common shares without par value

**(b) Issued**

	<u>Number Of Shares</u>	<u>Amount</u>
Balance, October 31, 2007	81,103,105	\$35,123,213
Issued during the year:		
Private placement	-	-
Issued for mineral property interests	212,500	59,750
Balance, October 31, 2008 (Note 14)	81,315,605	35,182,963
Balance, April 30, 2009	81,315,605	\$35,182,963

**(c) Stock Options**

The Company has a stock option plan available to personal 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 proceeding 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 issued options may be granted to any one individual in any 12 month period; no more than 2% of the issued options 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.

	<u>Number Of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Life (Years)</u>
Options outstanding and exercisable			
Options outstanding, October 31, 2007	3,790,000	\$0.41	2.63
Expired/Cancelled	(300,000)	\$(0.47)	
Options outstanding and exercisable, October 31, 2008	3,490,000	\$0.49	1.83
Granted	1,920,000	\$0.08	
Expired/Cancelled	(130,000)	\$(0.50)	
Options outstanding, April 30, 2009	5,280,000	\$0.34	2.78
Options exercisable, April 30, 2009	5,280,000		

**(d) Stock Based Compensation**

The Company granted a total of 1,920,000 stock options to directors, officers, employees and consultants during the six month period ended April 30, 2009. The fair value of these options was \$73,473, with the Company expensing this assigned value.

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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:

Expected dividend yield (%)	Nil
Risk – free interest rate (%)	1.72 – 2.8
Expected life (years)	5.00
Expected volatility (%)	107.23-112.24

As at April 30, 2009 the Company has the following stock options outstanding:

Exercise Price Per Share	Expiry Date	(Note 14) Balance October 31, 2008	Granted	Exercised	Expired/ Cancelled	Balance April 30, 2009
\$0.75	March 31, 2009	100,000	-	-	100,000	-
\$0.40	September 27, 2009	650,000	-	-	-	650,000
\$0.50	December 5, 2009	30,000	-	-	30,000	-
\$0.50	November 17, 2010	2,580,000	-	-	-	2,580,000
\$0.60	February 1, 2012	100,000	-	-	-	100,000
\$0.55	April 11, 2012	30,000	-	-	-	30,000
\$0.10	November 1, 2013	-	100,000	-	-	100,000
\$0.08	January 12, 2014	-	1,820,000	-	-	1,820,000
		3,490,000	1,920,000	-	130,000	5,280,000

**(e) Share Purchase Warrants**

As at April 30, 2009 the Company has the following share purchase warrants outstanding:

Exercise Price Per Share	Expiry Date	(Note 14) Balance October 31, 2008	Issued	Exercised	Expired/ Cancelled	Balance April 30, 2009
\$0.65	October 25, 2009	8,000,000	-	-	-	8,000,000
\$0.50	October 25, 2009	480,000	-	-	-	480,000
		8,480,000	-	-	-	8,480,000

**8. Related Party Transactions**

**(a)** The following related party transactions occurred during the six month period ended April 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Management fees paid to a company controlled by a director of the Company	\$31,000	\$27,000
Professional services paid or accrued to an officer or to companies controlled by directors and officers of the Company	\$5,868	\$14,741

**(b)** The balances due from related companies as at April 30, 2009 represent common expenses from companies with common management. The balances were unsecured, non-interest bearing and due on demand and were received in full subsequent to April 30, 2009.

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**9. Accumulated Other Comprehensive Income**

Accumulated other comprehensive income, November 1, 2007:	32,500
Unrealized gains on investments in public company shares	<u>(9,750)</u>
Accumulated other comprehensive income, October 31, 2008	22,750
Unrealized losses on investments in public company shares	<u>(64,250)</u>
Accumulated other comprehensive income, April 30, 2009	<u><u>(41,500)</u></u>

**10. Income Taxes**

No provision for recovery of income taxes was made in 2009 and 2008 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 \$11,232,223 (October 31, 2008 - \$11,010,380) which expire in various years to 2029 as follows:

2009	\$ 192,188
2010	537,349
2014	1,264,201
2015	1,634,068
2026	2,127,056
2027	2,678,423
2028	2,577,095
2029	<u>221,843</u>
	<u><u>\$11,232,223</u></u>

As at April 30, 2009, the Company has undeducted resource related expenses of approximately \$19,984,000 (October 31, 2008 - \$19,410,000) available for deduction against future Canadian taxable income. These expenses have no expiration date. In addition, the Company has undeducted share issuance costs totaling \$557,611 (October 31, 2008 - \$638,625) 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.

	<u>2009</u>	<u>2008</u>
Loss for the six months period	\$(216,746)	\$ (98,131)
Tax rate	30.00%	31.00%
Calculated income tax recovery	(65,024)	(30,421)
Increase (Decrease) in valuation allowance	65,024	30,421
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2009</u>	<u>2008</u>
Future income tax assets		
Temporary differences in assets	\$(1,833,278)	\$(1,204,904)
Non-capital loss carry forwards	<u>3,481,989</u>	<u>2,702,951</u>
	1,648,711	1,498,047
Valuation allowance for future income tax assets	<u>(1,648,711)</u>	<u>(1,498,047)</u>
	<u>\$ -</u>	<u>\$ -</u>

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**11. Commitment**

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.

**12. Segmented Information**

	<u>April 30, 2009</u>	<u>(Note 14) October 31, 2008</u>
Assets by geographic segment:		
Canada	\$ 283,919	\$ 1,126,116
Guinea, West Africa	25,942,859	25,420,536
	<u>\$26,226,778</u>	<u>\$26,546,652</u>

**13. 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 5(a) to these consolidated financial statements. On October 30, 2008 the action was dismissed as against the President of the Company.

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, judgment 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.

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.

**14. Comparative Figures**

The comparative figures disclosed as at October 31, 2008 in these interim consolidated financial statements were subject to an audit engagement.

**15. Subsequent Event**

On June 2, 2009 Cassidy Gold (the "Company") arranged a non-brokered private placement of up to 20,000,000 units as a price of \$0.05 per unit for aggregate proceeds of up to \$1,000,000. Each unit will consist of one common share of the company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase an additional common share at a price of \$0.10 per share for a period of one year from the completion of the offering. Finder's fee in amounts yet to be determined may be paid to persons who introduce the company to investors.

Also, upon completion of the financing described above, the Company will effect, subject to shareholder and regulatory approval, a consolidation of its issued common shares on the basis of 3 old shares for 1 new share.