



2007

RESTATED

SECOND QUARTER REPORT

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2007

TOURNIGAN GOLD CORPORATION

2007 SECOND QUARTER REPORT

Consolidated Balance Sheets
(expressed in Canadian dollars)

	Restated – Note 4	
	February 28, 2007	August 31, 2006
	\$ (unaudited)	\$ (audited)
ASSETS		
Current		
Cash	1,590,679	663,452
Short-term investments	36,814,422	42,188,280
Other receivables	917,063	383,487
Marketable securities	71,339	30,000
Prepaid expenses and deposits	223,097	444,599
	39,616,600	43,709,818
Due From Related Parties (Note 11)	18,996	98,269
Exploration Properties (Note 5)	22,970,267	16,580,090
Long-Term Investment	507,107	200,000
Property and Equipment	644,654	517,362
	63,757,624	61,105,539
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	1,412,442	1,539,202
Due to related parties (Note 11)	143,260	57,220
	1,555,702	1,596,422
Shareholders' Equity		
Share Capital (Note 6)	99,732,356	95,333,346
Contributed Surplus (Note 7)	8,250,694	7,325,437
Accumulated Other Comprehensive Income (Note 8)	323,759	–
Deficit	(46,104,887)	(43,149,666)
	62,201,922	59,509,117
	63,757,624	61,105,539

Subsequent events (Note 12)

On behalf of the Board:

"Michael Hopley" Director _____ "James Walchuck" Director

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN GOLD CORPORATION

2007 SECOND QUARTER REPORT

Consolidated Statements of Loss and Deficit
(Unaudited - expressed in Canadian dollars)

	Restated - Note 4			
	For the Three Months Ended February 28, 2007 \$	2006 \$	For the Six Months Ended February 28, 2007 \$	2006 \$
OPERATING EXPENSES				
Salaries, consulting and stock-based compensation	1,315,396	220,342	2,412,127	742,658
Property investigations and corporate development	322,203	123,438	688,213	140,950
Administration	153,652	103,177	333,809	164,129
Travel	114,455	52,352	187,253	112,971
Investor relations	68,053	264,903	138,992	336,851
Legal and professional fees	37,020	22,024	120,046	53,816
Regulatory fees	73,286	12,586	80,062	17,796
Interest and bank charges	3,101	2,180	6,402	4,561
	(2,087,166)	(801,002)	(3,966,904)	(1,573,732)
OTHER ITEMS				
Interest income	403,319	83,128	850,412	112,543
Foreign exchange gain (loss)	38,054	(168,707)	145,227	(170,290)
Gain on sale of marketable securities	16,044	-	16,044	-
Recovery of note receivable	-	-	-	708,720
	457,417	(85,579)	1,011,683	650,973
Net Loss	(1,629,749)	(886,581)	(2,955,221)	(922,759)
Deficit, Beginning of Period	(44,475,138)	(34,476,441)	(43,149,666)	(34,440,263)
Deficit, End of Period	(46,104,887)	(35,363,022)	(46,104,887)	(35,363,022)
Basic and Diluted Loss Per Share	(0.02)	(0.01)	(0.03)	(0.01)
Weighted Average Number of Outstanding Shares	112,798,702	77,429,466	112,498,522	76,512,495

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN GOLD CORPORATION

2007 SECOND QUARTER REPORT

Consolidated Statement of Comprehensive Loss (Unaudited - expressed in Canadian dollars)

	Restated - Note 4	
	For the Three Months Ended February 28, 2007	For the Six Months Ended February 28, 2007
	\$	\$
Net loss for the period	(1,629,749)	(2,955,221)
Unrealized losses on available-for-sale financial assets arising during the period (Note 8)	(40,614)	(164,996)
Reclassification adjustment for gains included in net loss (Note 8)	(6,160)	(6,160)
Comprehensive loss for the period	(1,676,523)	(3,126,377)

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN GOLD CORPORATION

2007 SECOND QUARTER REPORT

Consolidated Statements of Cash Flows (Unaudited - expressed in Canadian dollars)

	Restated - Note 4			
	For the Three Months Ended February 28, 2007		For the Six Months Ended February 28, 2006	
	2007	2006	2007	2006
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	(1,629,749)	(886,581)	(2,955,221)	(922,759)
Items not affecting cash:				
Stock-based compensation expense	913,485	53,623	1,559,034	163,733
Amortization	14,229	10,680	25,981	20,522
Gain on sale of marketable securities	(16,044)	-	(16,044)	-
	(718,079)	(822,278)	(1,386,250)	(738,504)
Net changes in operating balances:				
Other receivables	(30,606)	(73,573)	(42,063)	(120,839)
Prepaid expenses and deposits	32,465	15,940	143,739	(7,313)
Accounts payable and accrued expenses	(173,829)	129,509	63,863	56,338
Related parties, net	41,459	21,909	165,313	46,898
	(848,590)	(728,493)	(1,055,398)	(763,420)
CASH FLOWS FROM INVESTING ACTIVITIES				
Short term investments, net	2,951,226	(42,176,600)	5,373,858	(42,176,600)
Exploration property expenditures	(2,846,914)	(867,232)	(5,121,285)	(1,879,247)
Proceeds on sale of marketable securities	27,244	-	27,244	-
Purchase of property and equipment	(48,420)	(34,666)	(178,129)	(46,771)
	83,136	(43,078,498)	101,688	(44,102,618)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital and special warrants, net of issue costs	1,023,698	42,818,747	1,880,937	48,532,097
Increase (decrease) in cash during the period	258,244	(988,244)	927,227	3,666,059
Cash, beginning of period	1,332,435	6,301,519	663,452	1,647,216
Cash, end of period	1,590,679	5,313,275	1,590,679	5,313,275

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the period for interest	\$3,101	\$2,180	\$6,402	\$4,561
Cash paid during the period for income taxes	-	-	-	-

NON-CASH TRANSACTIONS (NOTE 10)

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN GOLD CORPORATION

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NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2007 and for the three and six month periods then ended
(expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tournigan Gold Corporation ("the Company") is a public company listed on the TSX Venture Exchange in Canada and the Frankfurt Stock Exchange in Germany. The Company's principal business activity is the sourcing, exploration and development of mineral properties.

Although existing cash resources are currently expected to provide sufficient funds through the upcoming fiscal year, the capital expenditures required to achieve planned principal operations are substantial. As a result, the Company will be required to seek additional financing.

2. BASIS OF PRESENTATION

The accompanying restated unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

Except for the changes in accounting policies described in Note 3, these restated unaudited interim consolidated financial statements (Note 4) follow the same significant accounting policies and methods of application as the Company's restated annual consolidated financial statements for the year ended August 31, 2006. These restated interim consolidated financial statements should be read in conjunction with the restated annual consolidated financial statements.

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for fair presentation have been included. Operating results for these interim periods are not necessarily indicative of the results that may be expected for the full fiscal year ending August 31, 2007. The majority of exploration costs are incurred in the months of April to October due to seasonal weather conditions in the Northern Hemisphere.

Certain of the prior period's figures have been reclassified to conform to the current period's presentation. Such reclassification is for presentation purposes only and has no effect on previously-reported results.

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3. CHANGES IN ACCOUNTING POLICIES

Effective September 1, 2006, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

The Company has classified its short-term investments as held for trading and therefore carries its investments at fair market value, with the unrealized gain or loss recorded in interest income. This change in accounting policy had no material effect on the Company's previous financial statements.

The Company has classified its marketable securities and long-term investment as available-for-sale and therefore carries them at fair market value, with the unrealized gain or loss recorded in shareholders' equity as a component of other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when they are sold. Previously, investments in public companies were carried at cost, less provisions for other than temporary declines in value. This change in accounting policy resulted in a \$15,000 increase in the carrying value of marketable securities and a \$479,915 increase in the carrying value of the long-term investment as at September 1, 2006, representing the aggregate cumulative unrealized gains at that time as disclosed in Note 8.

Comprehensive Income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a consolidated statement of comprehensive loss and a new category, accumulated other comprehensive income, has been added to the shareholders' equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any. The components of accumulated other comprehensive income for the six months ended February 28, 2007 are disclosed in Note 8.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

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4. RESTATEMENT

In the fourth quarter of fiscal 2007 the Company concluded that the accounting for its stock-based compensation was incorrect. The non-cash measurement and recognition errors were as follows:

- (a) The Company used the news release date as the grant date for accounting purposes for certain stock option grants. For accounting purposes, the initial measurement date should have been the later of the date of authorization by Tournigan's Board of Directors or, for employees, the date of inception of service.
- (b) The Company treated all stock options as granted to employees when in fact certain stock options were granted to non-employees. Employee stock options are measured at their fair value on the grant date and recognized over the vesting period. The Company's non-employee stock options should have been measured at their fair value upon vesting and, prior to vesting, recognized based on the service provided to the reporting date and at their then-current fair values. In addition, non-employee stock options should have been valued using their contractual term to expiry rather than their expected term.
- (c) The vesting periods for certain stock option grants were incorrectly reflected in the financial statements such that the stock-based compensation costs should have been recognized in earlier periods.
- (d) Certain stock option cancellations were incorrectly reflected in the financial statements.

The restatement for the above items had the effect of increasing (decreasing) the non-cash costs of stock-based compensation by: \$3,057,878, \$136,327 and \$104,451 for the fiscal years ended August 31, 2006, 2005 and 2004, respectively; \$855,445 and (\$1,661,187) for the six months ended February 28, 2007 and 2006, respectively; and \$91,929 and (\$1,481,077) for the three months ended February 28, 2007 and 2006, respectively.

The Company has also determined that a portion of its stock-based compensation costs relating to certain employees and consultants should have been included in capitalized exploration property costs rather than presented as period expenses. This change in accounting presentation, after giving effect to the recognition and measurement errors described above, capitalized stock-based compensation in the amounts of: \$986,111, \$45,733 and \$140,540 for the fiscal years ended August 31, 2006, 2005 and 2004, respectively; and \$484,296 and \$17,541 for the six months ended February 28, 2007 and 2006, respectively.

The net effects of these changes in accounting treatment are summarized in the tables below:

Consolidated Balance Sheets	February 28, 2007		August 31, 2006	
	As		As	
	Previously Reported	Restated	Previously Reported	Restated
	\$	\$	\$	\$
Exploration properties	21,313,587	22,970,267	15,407,706	16,580,090
Share capital	98,903,560	99,732,356	94,861,399	95,333,346
Contributed surplus	4,925,390	8,250,694	4,498,728	7,325,437
Deficit	(43,607,467)	(46,104,887)	(41,023,394)	(43,149,666)

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NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2007 and for the three and six month periods then ended
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4. RESTATEMENT (cont'd)

Consolidated Statements of Loss	For the Three Months Ended February 28,			
	2007		2006	
	As Previously Reported \$	Restated \$	As Previously Reported \$	Restated \$
Salaries, consulting fees and stock-based compensation expense	1,272,690	1,315,396	1,705,500	220,342
Net loss	(1,587,043)	(1,629,749)	(2,371,739)	(886,581)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)	(0.01)
Comprehensive loss	(1,633,817)	(1,676,523)	—	—

Consolidated Statements of Loss	For the Six Months Ended February 28,			
	2007		2006	
	As Previously Reported \$	Restated \$	As Previously Reported \$	Restated \$
Salaries, consulting fees and stock-based compensation expense	2,040,979	2,412,127	2,421,386	742,658
Net loss	(2,584,073)	(2,955,221)	(2,601,487)	(922,759)
Basic and diluted loss per share	(0.02)	(0.03)	(0.03)	(0.01)
Comprehensive loss	(2,260,314)	(3,126,377)	—	—

Consolidated Statements of Cash Flow

The restatement had no effect on operating, investing and financing cash flows.

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5. EXPLORATION PROPERTIES

Six Months Ended February 28, 2007	Restated – Note 4							
	Uranium			Gold			Other	Total
	Slovakia Kuriskova \$	Slovakia Other \$	United States \$	Slovakia Kremnica \$	N. Ireland Curraghinalt \$	USA Nevada \$	Gold, VMS \$	
Balance, August 31, 2006	1,760,032	54,977	1,127,590	6,679,954	6,526,120	147,111	284,306	16,580,090
Acquisition costs	–	–	28,077	–	1,407,850	–	–	1,435,927
Exploration costs:								
Licences and permits	–	–	178,741	–	121,309	3,428	–	303,478
Mapping and surveying	1,182	9,748	83,681	295	2,471	10,027	6,879	114,283
Drilling and assays	683,387	113,771	–	611,098	517,895	15,265	127,613	2,069,029
Office and field work	19,539	22,450	–	97,398	38,970	935	8,735	188,027
Personnel, geological consulting and travel	99,761	86,341	202,181	377,099	58,299	129,673	12,491	965,845
Stock-based compensation Public and government relations	71,862	–	39,420	198,302	143,873	4,945	25,894	484,296
Socio-environmental studies Studies and evaluations	211	–	–	203,235	–	–	–	203,446
	41,314	–	–	220,772	5,792	–	–	267,878
	–	–	–	252,740	105,228	–	–	357,968
Total costs incurred	917,256	232,310	532,100	1,960,939	2,401,687	164,273	181,612	6,390,177
Balance, February 28, 2007	2,677,288	287,287	1,659,690	8,640,893	8,927,807	311,384	465,918	22,970,267

Year Ended August 31, 2006	Restated – Note 4							
	Uranium			Gold			Other	Total
	Slovakia Kuriskova \$	Slovakia Other \$	United States \$	Slovakia Kremnica \$	N. Ireland Curraghinalt \$	USA Nevada \$	Gold, VMS \$	
Balance, beginning of year	13,346	2,773	200,914	2,786,275	6,210,352	–	224,958	9,438,618
Acquisition costs	–	–	87,000	–	–	39,606	–	126,606
Exploration costs:								
Licence and permits	–	–	358,684	–	–	28,076	75,465	462,225
Mapping and surveying	24,746	14,988	4,093	12,007	7,875	–	–	63,709
Drilling and assays	1,175,077	–	15,989	1,001,482	155,128	–	1,722	2,349,398
Office and field	18,721	3,747	70,487	161,152	8,944	15,926	23,261	302,238
Personnel, geological consulting and travel	125,912	33,469	296,269	759,644	78,767	61,205	13,567	1,368,833
Stock-based compensation Public and government relations	274,481	–	94,154	568,799	46,379	2,298	–	986,111
Socio-environmental Studies and evaluations	34,442	–	–	209,047	–	–	–	243,489
	7,681	–	–	413,873	–	–	–	421,554
	85,626	–	–	767,675	18,675	–	–	871,976
Total costs incurred	1,746,686	52,204	926,676	3,893,679	315,768	147,111	114,015	7,196,139
Write-down	–	–	–	–	–	–	(54,667)	(54,667)
Balance, end of year	1,760,032	54,977	1,127,590	6,679,954	6,526,120	147,111	284,306	16,580,090

In February 2007, the Company negotiated the termination of its purchase and sale agreement related to its mineral exploration licenses in County Tyrone, Northern Ireland including the Curraghinalt gold property. Under the termination agreement, the Company issued 500,000 common shares to Strongbow Exploration Inc. (Note 6) as consideration to terminate its remaining contingent share and income tax benefit obligations to Strongbow.

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NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(expressed in Canadian dollars)

6. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance. The issued common shares are as follows:

	Six Months Ended February 28, 2007		Year Ended August 31, 2006	
	Shares	Amount Restated Note 4	Shares	Amount Restated Note 4
	#	\$	#	\$
Balance, beginning of period	111,931,263	95,333,346	67,826,513	46,579,969
Shares issued for cash and other:				
Options, net	1,051,670	2,234,286	4,096,500	3,604,415
Exploration properties (Note 5)	500,000	1,400,000	200,000	87,000
Warrants	873,595	764,724	26,250	15,972
Private placements	-	-	39,707,000	49,000,150
Financing fee	-	-	75,000	37,500
Share issuance costs	-	-	-	(3,991,660)
Balance, end of period	114,356,528	99,732,356	111,931,263	95,333,346

Warrants – The Company has share purchase warrants outstanding as follows:

Exercise Price	Balance at August 31, 2006	Issued	(Exercised)	(Expired)	Balance at February 28, 2007	Expiry Date
\$ 0.55	2,500,000	-	-	-	2,500,000	August 31, 2007
\$ 0.55	2,500,000 ⁽¹⁾	-	-	-	2,500,000 ⁽¹⁾	September 8, 2007
\$ 0.65	1,761,250 ⁽¹⁾	-	(761,250)	-	1,000,000 ⁽¹⁾	March 31, 2007
\$ 1.65	936,210	-	(112,345)	-	823,865	February 22, 2008
	7,697,460	-	(873,595)	-	6,823,865	

⁽¹⁾ The Company may require these warrants to be exercised at any time.

The Company has entered into an undertaking agreement with a shareholder. The undertaking confirms that the shareholder has agreed not to exercise its warrants to the extent that such exercise would result in the shareholder holding 20% or more of the Company's issued shares. The warrants subject to this undertaking consist of 250,000 warrants exercisable at \$0.65 expiring on March 31, 2007 and 2,500,000 warrants exercisable at \$0.55 expiring on August 31, 2007.

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(expressed in Canadian dollars)

7. CONTRIBUTED SURPLUS

	Restated Note 4 \$
Balance, August 31, 2006	7,325,437
Stock-based compensation	2,043,331
Stock options and agents' warrants exercised	(1,118,074)
Balance, February 28, 2007	8,250,694

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

	\$
Balance, August 31, 2006	-
Adjustment for cumulative unrealized gains on available-for-sale investments at September 1, 2006 (Note 3)	494,915
Reclassification adjustment for gains included in net loss	(6,160)
Unrealized losses on available-for-sale investments	(164,996)
Balance, February 28, 2007	323,759

9. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

	Options	Weighted Average Exercise Price \$
Outstanding, August 31, 2006	8,105,001	1.28
Granted	1,360,000	3.27
Exercised	(1,051,670)	1.14
Forfeited	(823,331)	1.23
Outstanding, February 28, 2007	7,590,000	1.66

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9. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (cont'd)

As at February 28, 2007, the Company has stock options outstanding and exercisable as follows:

Restated – Note 4					
Options Outstanding				Options Exercisable	
Range of Exercise Prices	Outstanding #	Weighted Average Remaining Contractual Life (yrs)	Weighted Average Exercise Price \$	Number Exercisable	Weighted Average Exercise Price \$
\$0.25 – 0.50	1,511,555	2.86	0.43	1,511,555	0.43
\$1.45 – 1.50	2,995,112	4.00	1.46	2,199,453	1.45
\$1.64 – 1.86	1,723,333	4.11	1.83	1,533,334	1.85
\$2.02 – 3.76	1,360,000	4.91	3.27	460,001	3.27
	7,590,000	3.96	1.66	5,704,343	1.43

For purposes of the Black-Scholes calculation, the following weighted-average assumptions were used for the six months ended February 28, 2007:

	Restated – Note 4	
	Employees and Directors	Non-Employees
Risk free interest rate	4.1%	4.1%
Expected dividend yield	0%	0%
Expected stock price volatility	85%	86%
Expected life of options	2 Years	5 Years
Weighted average per share fair value of options granted in the period	\$1.54	\$2.24

10. NON-CASH TRANSACTIONS

	Restated – Note 4			
	Three Months Ended February 28, 2007		Six Months Ended February 28, 2006	
	2007	2006	2007	2006
	\$	\$	\$	\$
Stock-based compensation capitalized to exploration properties	49,223	4,081	484,296	17,541
Shares issued for exploration properties	1,400,000	–	1,400,000	87,000
Marketable securities for other receivables	35,888	–	35,888	–
Amortization capitalized to exploration properties	13,296	–	24,856	–
Agents' fees paid in shares	–	–	–	37,500

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11. RELATED PARTY TRANSACTIONS AND BALANCES

Amounts due from and to directors, officers, companies they control, and companies with common directors and/or officers are unsecured, without interest or fixed terms of repayment.

The Company had the following related party transactions:

	Three Months Ended February 28,		Six Months Ended February 28,	
	2007	2006	2007	2006
	\$	\$	\$	\$
Consulting fees to companies controlled by directors	7,903	25,500	22,903	210,000
Consulting fees to companies controlled by officers	8,000	27,000	26,000	42,000
Legal fees to a law firm in which a director is a partner	15,481	3,716	19,027	6,623
Cost reimbursements from companies with common directors and/or officers	41,032	70,005	61,622	143,395

12. SUBSEQUENT EVENTS

Subsequent to February 28, 2007, the Company:

- a) Cancelled 150,000 options with an exercise price of \$0.45 per common share upon termination of a consulting contract.
- b) Issued a total of 1,215,328 common shares upon exercise of 1,000,000 warrants at \$0.65 per common share and 215,328 warrants at \$1.65 per common share.
- c) Received total proceeds of \$592,162 upon exercise of 250,000 stock options at \$0.40 per common share, 106,555 stock options at \$0.45 per common share, 299,112 stock options at \$1.45 per common share and 7,000 stock options at \$1.50 per common share.
- d) Granted 400,000 stock options exercisable at \$2.97 per common share for a period of five years to a director of the Company. The options are subject to vesting provisions with 133,500 vesting on the grant date, 133,500 vesting on March 29, 2008 and 133,000 on March 29, 2009.