



**2007**

**RESTATED**

**THIRD QUARTER REPORT**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**MAY 31, 2007**

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

Consolidated Balance Sheets  
(expressed in Canadian dollars)

	Restated – Note 4	
	May 31, 2007	August 31, 2006
	\$ (unaudited)	\$ (audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash	33,174,210	663,452
Short-term investments	5,703,974	42,188,280
Other receivables	548,157	383,487
Marketable securities (Note 5)	526,468	30,000
Prepaid expenses and deposits	526,419	444,599
	<b>40,479,228</b>	43,709,818
Deferred Reorganization Costs	31,064	-
Long-term Investment (Note 5)	-	200,000
Due From Related Parties (Note 12)	-	98,269
Exploration Properties (Note 6)	24,921,048	16,580,090
Property and Equipment	623,464	517,362
	<b>66,054,804</b>	61,105,539
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses (Note 12)	1,741,803	1,596,422
<b>Shareholders' Equity</b>		
Share Capital (Note 7)	103,742,615	95,333,346
Contributed Surplus (Note 8)	8,055,288	7,325,437
Accumulated Other Comprehensive Income (Note 9)	225,781	-
Deficit	(47,710,683)	(43,149,666)
	<b>64,313,001</b>	59,509,117
	<b>66,054,804</b>	61,105,539

Subsequent events (Note 13)

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 THIRD QUARTER REPORT

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

	Restated – Note 4			
	For the Three Months Ended May 31,		For the Nine Months Ended May 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>OPERATING EXPENSES</b>				
Salaries, consulting and stock-based compensation	1,246,233	6,084,725	3,658,360	6,827,383
Property investigations and corporate development	105,509	5,995	793,722	146,945
Administration	149,160	127,893	482,969	292,022
Legal and professional fees	311,162	37,423	431,208	91,239
Travel	122,160	152,825	309,413	265,796
Investor relations	97,511	177,251	236,503	514,102
Regulatory fees	6,830	25,324	86,892	43,120
Interest and bank charges	2,935	3,120	9,337	7,681
	<b>(2,041,500)</b>	<b>(6,614,556)</b>	<b>(6,008,404)</b>	<b>(8,188,288)</b>
<b>OTHER ITEMS</b>				
Interest income	402,850	436,213	1,253,262	548,756
Foreign exchange gain (loss)	(12,292)	(543,375)	132,935	(713,665)
Exploration property option income	46,894	-	46,894	-
Gain on sale of marketable securities	-	-	16,044	-
Net loss on disposal of property, plant and equipment	(1,748)	-	(1,748)	-
Recovery of note receivable	-	-	-	708,720
	<b>435,704</b>	<b>(107,162)</b>	<b>1,447,387</b>	<b>543,811</b>
<b>Net Loss</b>	<b>(1,605,796)</b>	<b>(6,721,718)</b>	<b>(4,561,017)</b>	<b>(7,644,477)</b>
<b>Deficit, Beginning of Period</b>	<b>(46,104,887)</b>	<b>(35,363,022)</b>	<b>(43,149,666)</b>	<b>(34,440,263)</b>
<b>Deficit, End of Period</b>	<b>(47,710,683)</b>	<b>(42,084,740)</b>	<b>(47,710,683)</b>	<b>(42,084,740)</b>
<b>Basic and Diluted Loss Per Share</b>	<b>(0.01)</b>	<b>(0.09)</b>	<b>(0.04)</b>	<b>(0.10)</b>
<b>Weighted Average Number of Outstanding Shares</b>	<b>116,042,602</b>	<b>82,626,915</b>	<b>113,692,864</b>	<b>78,571,920</b>

See accompanying notes to the unaudited interim consolidated financial statements.

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

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

	<b>Restated – Note 4</b>	
	<b>For the Three Months Ended May 31, 2007</b>	<b>For the Nine Months Ended May 31, 2007</b>
	<b>\$</b>	<b>\$</b>
<b>Net loss for the period</b>	(1,605,796)	(4,561,017)
Unrealized gains and (losses) on available-for-sale financial assets arising during the period (Note 9)	(97,978)	(262,974)
Reclassification adjustment for gains included in net loss (Note 9)	-	(6,160)
<b>Comprehensive loss for the period</b>	<b>(1,703,774)</b>	<b>(4,830,151)</b>

See accompanying notes to the unaudited interim consolidated financial statements.

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

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

	Restated – Note 4			
	For the Three Months Ended May 31,		For the Nine Months Ended May 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(1,605,796)	(6,721,718)	(4,561,017)	(7,644,477)
Items not affecting cash:				
Stock-based compensation expense	713,633	5,207,779	2,272,667	5,371,512
Amortization	14,824	11,901	40,805	32,423
Exploration property option income	(46,894)	-	(46,894)	-
Gain on sale of marketable securities	-	-	(16,044)	-
	<b>(924,233)</b>	<b>(1,502,038)</b>	<b>(2,310,483)</b>	<b>(2,240,542)</b>
Net changes in operating balances:				
Other receivables	15,886	(9,215)	(26,177)	(130,054)
Prepaid expenses and deposits	(29,061)	(115,380)	114,678	(122,692)
Accounts payable and accrued expenses	79,846	53,005	309,022	156,241
	<b>(857,562)</b>	<b>(1,573,628)</b>	<b>(1,912,960)</b>	<b>(2,337,047)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Short-term investments, net	31,110,448	448,665	36,484,306	(44,045,367)
Exploration property expenditures	(1,737,009)	(1,139,090)	(6,858,294)	(3,018,337)
Exploration property receipts	25,000	-	25,000	-
Purchase of property and equipment	(7,349)	(45,446)	(185,478)	(92,217)
Proceeds on sale of marketable securities	-	-	27,244	-
	<b>29,391,090</b>	<b>(735,871)</b>	<b>29,492,778</b>	<b>(47,155,921)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of share capital and special warrants, net of issue costs	3,050,003	1,331,192	4,930,940	49,863,288
<b>Increase (decrease) in cash during the period</b>	<b>31,583,531</b>	<b>(978,307)</b>	<b>32,510,758</b>	<b>370,320</b>
<b>Cash, beginning of period</b>	<b>1,590,679</b>	<b>5,313,275</b>	<b>663,452</b>	<b>1,647,216</b>
<b>Cash, end of period</b>	<b>33,174,210</b>	<b>864,660</b>	<b>33,174,210</b>	<b>864,660</b>

### SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the period for interest	\$ 2,935	\$ 3,120	\$ 9,337	\$ 7,681
Cash paid during the period for income taxes	-	-	-	-

### NON-CASH TRANSACTIONS (NOTE 11)

See accompanying notes to the unaudited interim consolidated financial statements.

# **TOURNIGAN GOLD CORPORATION**

## **2007 THIRD QUARTER REPORT**

### **NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*As at May 31, 2007 and for the three and nine month periods then ended*  
(expressed in Canadian dollars)

#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

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Tournigan Gold Corporation ("the Company") is a public company listed on the TSX Venture Exchange in Canada and the Frankfurt Stock Exchange in Germany and incorporated in the Yukon Territory of Canada. 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**

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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 and the accounting for corporate transaction costs and property option payment income as discussed below, 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.

On May 28, 2007 the Company announced it will seek shareholder approval for the reorganization of its capital structure and separation of the ownership, management and financing of its uranium and precious metal assets. Direct and incremental costs incurred in connection with the proposed reorganization have been deferred and are presented as a non-current deferred charge. If completion of the reorganization is considered to be less likely than not, such costs will be expensed. Upon completion of the transaction, deferred costs (net of tax) will be charged to share capital.

The excess of property option payments receivable by the Company over the related exploration property balance are included in income when received.

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 periods' 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.

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 3. CHANGES IN ACCOUNTING POLICIES

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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 9.

*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 nine months ended May 31, 2007 are disclosed in Note 9.

*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.

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 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; \$779,217 and \$2,777,565 for the nine months ended May 31, 2007 and 2006, respectively; and (\$76,228) and \$4,438,752 for the three months ended May 31, 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 \$535,513 and \$837,135 for the nine months ended May 31, 2007 and 2006, respectively.

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

Consolidated Balance Sheets	May 31, 2007		August 31, 2006	
	As		As	
	Previously Reported \$	Restated \$	Previously Reported \$	Restated \$
Exploration properties	23,213,151	24,921,048	15,407,706	16,580,090
Share capital	102,452,514	103,742,615	94,861,399	95,333,346
Contributed surplus	5,267,517	8,055,288	4,498,728	7,325,437
Deficit	(45,340,708)	(47,710,683)	(41,023,394)	(43,149,666)

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 4. RESTATEMENT (cont'd)

Consolidated Statements of Loss	For the Three Months Ended May 31,			
	2007		2006	
	As Previously Reported \$	Restated \$	As Previously Reported \$	Restated \$
Salaries, consulting fees and stock-based compensation expense	1,373,678	1,246,233	2,465,567	6,084,725
Net loss	(1,733,241)	(1,605,796)	(3,102,560)	(6,721,718)
Basic and diluted loss per share	(0.01)	(0.01)	(0.04)	(0.09)
Comprehensive loss	(1,831,219)	(1,703,774)	—	—

Consolidated Statements of Loss	For the Nine Months Ended May 31,			
	2007		2006	
	As Previously Reported \$	Restated \$	As Previously Reported \$	Restated \$
Salaries, consulting fees and stock-based compensation expense	3,414,657	3,658,360	4,886,953	6,827,383
Net loss	(4,317,314)	(4,561,017)	(5,704,047)	(7,644,477)
Basic and diluted loss per share	(0.04)	(0.04)	(0.07)	(0.10)
Comprehensive loss	(4,091,533)	(4,830,151)	—	—

#### Consolidated Statements of Cash Flows

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

#### 5. MARKETABLE SECURITIES

	Market value May 31, 2007 \$	Cost August 31, 2006 \$
Condor Resources PLC	440,713	—
Finavera Renewables Inc.	34,225	—
New Cantech Ventures Inc. (Note 6 (b))	28,500	—
Sunrise Minerals Inc.	23,030	30,000
<b>Total</b>	<b>526,468</b>	<b>30,000</b>

Condor Resources PLC was presented as a long-term investment as at August 31, 2006.

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 6. EXPLORATION PROPERTIES

Nine Months Ended May 31, 2007	Restated – Note 4							
	Uranium			Gold			Other	Total
	Slovakia Kuriskova \$	Slovakia Other \$	United States \$	Slovakia Kremnica \$	N. Ireland (a) Curraghinalt \$	USA Nevada \$	Gold,(b) VMS \$	
Balance, August 31, 2006	1,760,032	54,977	1,127,590	6,679,954	6,526,120	147,111	284,306	<b>16,580,090</b>
Acquisition costs	-	-	28,077	-	1,407,850	-	38,250	<b>1,474,177</b>
Exploration costs:								
Licences and permits	645	11,094	477,851	9,202	141,221	3,430	8,901	<b>652,344</b>
Mapping and surveying	8,471	11,868	83,681	2,795	11,795	10,028	7,009	<b>135,647</b>
Drilling and assays	710,618	282,166	572	621,995	702,902	15,265	153,146	<b>2,486,664</b>
Office and field work	7,697	12,771	-	184,255	54,734	935	13,091	<b>273,483</b>
Personnel, geological consulting and travel	156,348	113,692	466,430	459,326	201,275	151,997	20,019	<b>1,569,087</b>
Stock-based compensation	81,222	-	39,420	248,713	129,608	4,945	31,605	<b>535,513</b>
Public and government relations	10,105	25,069	-	364,640	-	-	-	<b>399,814</b>
Socio-environmental studies	92,216	-	-	282,049	5,768	-	-	<b>380,033</b>
Studies and evaluations	-	2,580	-	350,928	104,794	-	-	<b>458,302</b>
Total costs incurred	1,067,322	459,240	1,096,031	2,523,903	2,759,947	186,600	272,021	<b>8,365,064</b>
Option payments received	-	-	-	-	-	-	(24,106)	<b>(24,106)</b>
Balance, May 31, 2007	2,827,354	514,217	2,223,621	9,203,857	9,286,067	333,711	532,221	<b>24,921,048</b>

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	274,481	-	94,154	568,799	46,379	2,298	-	986,111
Public and government relations	34,442	-	-	209,047	-	-	-	243,489
Socio-environmental	7,681	-	-	413,873	-	-	-	421,554
Studies and evaluations	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

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

*As at May 31, 2007 and for the three and nine month periods then ended*  
(expressed in Canadian dollars)

#### 6. EXPLORATION PROPERTIES (cont'd)

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##### **a) Northern Ireland - Curraghinalt**

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 (fair value \$1,400,000) to Strongbow Exploration Inc. (Note 7) as consideration to terminate its remaining contingent share and income tax benefit obligations to Strongbow.

##### **b) Other – Gold, Canada**

In February 2007, the Company entered into an option agreement with New Cantech Ventures Inc. ("Cantech") to dispose of an undivided 70% right, title and interest to certain of the Company's claims in British Columbia, Canada. As at May 31, 2007, the Company received \$25,000 and 50,000 common shares of Cantech (Note 11) for a total consideration of \$71,000, of which \$24,106 was credited against exploration property costs and \$46,894 was included in income.

To maintain its interest over a five year period, Cantech will issue and deliver 450,000 common shares of Cantech to the Company and incur exploration costs of \$300,000. Upon completion of these terms, the Company may either elect to enter into a joint venture with Cantech, take a 10% carried interest or take a 2% net smelter return royalty. Cantech has certain fixed price options to acquire the NSR from the Company.

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 7. SHARE CAPITAL

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

	Nine Months Ended May 31, 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	1,766,837	3,705,341	4,096,500	3,604,415
Exploration properties (Note 6(a))	500,000	1,400,000	200,000	87,000
Warrants	4,588,923	3,303,928	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	118,787,023	103,742,615	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 May 31, 2007	Expiry Date
\$ 0.55	2,500,000 <sup>(1)</sup>	-	(2,500,000)	-	-	August 31, 2007
\$ 0.55	2,500,000 <sup>(1)</sup>	-	-	-	2,500,000 <sup>(1)</sup>	September 8, 2007
\$ 0.65	1,761,250 <sup>(1)</sup>	-	(1,761,250)	-	-	March 31, 2007
\$ 1.65	936,210	-	(327,673)	-	608,537 <sup>(2)</sup>	February 22, 2008
	7,697,460	-	(4,588,923)	-	3,108,537	

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

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 8. CONTRIBUTED SURPLUS

	Restated Note 4 \$
Balance, August 31, 2006	7,325,437
Stock-based compensation	2,808,180
Stock options and agents' warrants exercised	(2,078,329)
<b>Balance, May 31, 2007</b>	<b>8,055,288</b>

#### 9. 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	(262,974)
<b>Balance, May 31, 2007</b>	<b>225,781</b>

#### 10. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

	Options	Weighted Average Exercise Price \$
Outstanding, August 31, 2006	8,105,001	1.28
Granted	1,760,000	3.20
Exercised	(1,766,837)	1.06
Forfeited	(1,053,997)	1.51
<b>Outstanding, May 31, 2007</b>	<b>7,044,167</b>	<b>1.78</b>

# TOURNIGAN GOLD CORPORATION

## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

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

As at May 31, 2007, the Company has stock options outstanding and exercisable as follows:

Restated – Note 4					
Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Outstanding #	Weighted Average Remaining Contractual Life (yrs)	Weighted Average Exercise Price \$	Number Exercisable	Weighted Average Exercise Price \$
\$0.25 – 0.50	1,105,000	2.48	0.43	1,105,000	0.43
\$1.45 – 1.50	2,608,334	3.75	1.46	1,843,341	1.45
\$1.64 – 1.86	1,723,333	3.86	1.83	1,550,001	1.85
\$2.02 – 3.76	1,607,500	4.70	3.18	541,001	3.18
	7,044,167	3.79	1.78	5,039,343	1.54

For purposes of the Black-Scholes calculation, the following weighted-average assumptions were used for the nine months ended May 31, 2007:

	Restated – Note 4	
	Employees and Directors	Non-Employees
Risk free interest rate	4.0%	4.1%
Expected dividend yield	0%	0%
Expected stock price volatility	86%	86%
Expected life of options	2 Years	5 Years
Weighted average per share fair value of options granted in the period	\$1.51	\$2.24

#### 11. NON-CASH TRANSACTIONS

	Restated – Note 4			
	Three Months Ended May 31,		Nine Months Ended May 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
Stock-based compensation capitalized to exploration properties	51,217	819,594	535,513	837,137
Shares issued for exploration properties	-	-	1,400,000	87,000
Marketable securities for exploration property income	46,000	-	46,000	-
Amortization capitalized to exploration properties	13,715	-	38,571	-
Marketable securities for other receivables	-	-	35,888	-
Agents' fees paid in shares	-	-	-	37,500

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## 2007 THIRD QUARTER REPORT

### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at May 31, 2007 and for the three and nine month periods then ended  
(expressed in Canadian dollars)

#### 12. RELATED PARTY TRANSACTIONS AND BALANCES

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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		Nine Months Ended	
	May 31,		May 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
Legal fees to a law firm in which a director is a partner	<b>112,130</b>	132,490	<b>131,157</b>	139,113
Cost reimbursements from companies with common directors and/or officers	<b>2,663</b>	35,435	<b>64,285</b>	178,830
Consulting fees to companies controlled by directors	<b>7,500</b>	258,500	<b>30,403</b>	468,500
Consulting fees to companies controlled by officers	<b>3,000</b>	12,000	<b>29,000</b>	54,000

#### 13. SUBSEQUENT EVENTS

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- a) The directors of the Company approved the adoption of a shareholder rights plan, dated July 6, 2007, (the "Rights Plan") that is intended to ensure that all shareholders of the Company are treated fairly in any transaction involving a potential change of control of the Company. The rights become exercisable only when a person or party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company without complying with certain provisions of the Rights Plan. Each right would entitle each holder of common shares (other than the acquiring person or party) to purchase additional common shares of the Company at a 50% discount to the market price at the time. Although the Rights Plan took effect immediately, the Company will ask its shareholders to ratify it at the next meeting of shareholders. The Rights Plan will expire if shareholder ratification is not obtained within six months of its date. If approved, it will continue in effect until the annual general meeting of shareholders in 2010.
- b) The Company issued 230,001 common shares for \$354,001 in respect to the exercise of stock options.
- c) The Company granted 150,000 stock options exercisable at \$3.76 per common share for a period of five years to an officer of the Company. These options vest over a two year period.
- d) Consultants and employees forfeited 108,999 stock options as a consequence of their resignations from the Company.