ENDURANCE GOLD CORPORATION

INTERIM FINANCIAL STATEMENTS

JUNE 30, 2007

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Endurance Gold Corporation (“the Company”), for the six month period ended June 30, 2007, have been prepared by management and have not been the subject of a review by the Company’s independent auditor.

ENDURANCE GOLD CORPORATION
BALANCE SHEETS
(Unaudited, prepared by management)

	June 30, 2007 (Unaudited)	December 31, 2006 (Audited)
ASSETS		
Current		
Cash	$ 1,744,123	$ 220,448
Prepaid expenses and deposits	52,947	19,673
Receivables	28,830	16,952
	1,825,900	257,073
Equipment (Note 4)	3,980	4,232
Investment (Note 6)	227,000	-
Reclamation bond	11,500	11,500
Mineral properties (Note 5)	2,023,481	2,068,187
	$ 4,091,861	$ 2,340,992
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 40,268	$ 52,808
Future income taxes	81,110	81,110
	121,378	133,918
Shareholders' equity		
Capital stock (Note 7)	4,367,154	2,525,976
Contributed surplus (Note 7)	269,287	185,285
Deficit	(682,958)	(504,187)
Accumulated other comprehensive income (loss) (note 11)	17,000	-
Accumulated comprehensive income (loss)	(665,958)	(504,187)
	3,970,483	2,207,074
	$ 4,091,861	$ 2,340,992

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

On behalf of the Board:

/s/ Duncan McIvor Director	/s/ J. Christopher Mitchell Director
Duncan McIvor	J. Christopher Mitchell

The accompanying notes are an integral part of these financial statements.

ENDURANCE GOLD CORPORATION
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited, prepared by management)

	Three Months ended June 30, 2007	Three Months ended June 30, 2006	Six Months ended June 30, 2007	Six Months ended June 30, 2006
EXPENSES				
Amortization	$ 271	$ 342	$ 542	$ 671
Corporate communications	13,604	3,367	27,263	10,279
Exploration and business development	15,518	5,116	38,658	9,655
Listing and transfer agent fees	5,451	8,030	10,525	13,598
Management fees	21,250	18,950	54,200	36,400
Office and administrative	11,566	20,977	25,420	47,024
Professional fees	5,947	6,577	12,423	16,657
Stock-based compensation	6,520	7,365	29,854	17,836
	(80,127)	(70,724)	(198,885)	(152,120)
OTHER ITEMS				
Interest income	16,325	6,434	20,114	12,591
LOSS BEFORE TAX	(63,802)	(64,290)	(178,771)	(139,529)
Future income tax recovery (Note 8)	-	-	-	419,400
NET INCOME (LOSS) FOR THE PERIOD	(63,802)	(64,290)	(178,771)	279,871
DEFICIT, BEGINNING OF PERIOD	(619,156)	(239,159)	(504,187)	(583,320)
DEFICIT, END OF PERIOD	$ (682,958)	$ (303,449)	$ (682,958)	$ (303,449)
Earnings (loss) per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ 0.02
Weighted average number of common shares outstanding	27,082,186	16,983,053	23,084,127	16,950,611

The accompanying notes are an integral part of these financial statements.

ENDURANCE GOLD CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, prepared by management)

	Three Months ended June 30, 2007	Three Months ended June 30, 2006	Six Months ended June 30, 2007	Six Months ended June 30, 2006
NET INCOME (LOSS) FOR THE PERIOD	(63,802)	(64,290)	(178,771)	279,871
Other comprehensive income (loss) in the period				
Fair value adjustment to financial instruments				
Unrealized income (loss) on marketable securities	19,000	-	17,000	-
Comprehensive income (loss) for the period	$ (44,802)	$ (64,290)	$ (161,771)	$ 279,871

The accompanying notes are an integral part of these financial statements.

ENDURANCE GOLD CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited, prepared by management)

	Three Months ended June 30, 2007	Three Months ended June 30, 2006	Six Months ended June 30, 2007	Six Months ended June 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	$ (63,802)	$ (64,290)	$ (178,771)	$ 279,871
Add items not involving cash:				
Amortization	271	342	542	671
Stock-based compensation	6,520	7,365	29,854	17,836
Future tax recovery	-	-	-	(419,400)
Changes in non-cash working capital items:				
Receivables	(15,632)	(4,811)	(11,878)	2,558
Accounts payable and accrued liabilities	(88,258)	(92,516)	(33,736)	13,420
Prepaid expenses and deposits	(31,564)	(5,694)	(33,274)	(3,826)
Net cash used in operating activities	(192,465)	(159,604)	(227,263)	(108,870)
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral properties	(85,504)	(173,270)	(136,098)	(322,129)
Purchase of equipment	-	(380)	(290)	(380)
Reclamation bond	-	(2,500)	-	(5,000)
Net cash used in investing activities	(85,504)	(176,150)	(136,388)	(327,509)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares	-	300,000	2,009,648	300,000
Share issuance costs	-	-	(122,322)	-
Net cash provided by financing activities	-	300,000	1,887,326	300,000
Increase (decrease) in cash during the period	(277,969)	(35,754)	1,523,675	(136,379)
Cash, beginning of period	2,022,092	848,068	220,448	948,693
Cash, end of period	$ 1,744,123	$ 812,314	$ 1,744,123	$ 812,314

Supplemental disclosures with respect to cash flows (Note 9)

1. NATURE AND CONTINUANCE OF OPERATIONS

Endurance Gold Corporation (the "Company") was incorporated under the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. Its principal business activities are the exploration and development of resource properties. All of the Company's resource properties are located in Canada.

The Company is in the process of exploring its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These unaudited interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying unaudited interim financial statements have been prepared by management in accordance with generally accepted accounting principles ("GAAP") in Canada on a basis consistent with those outlined in the Company's audited financial statements for the year ended December 31, 2006. They do not include all of the information and disclosures required by Canadian GAAP for audited financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These unaudited interim financial statements should be read in conjunction with the most recent audited annual financial statements of the Company, including the notes thereto.

3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accounts ("CICA") relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

Comprehensive Income, CICA Handbook Section 1530

Comprehensive income is the change in shareholders' equity during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Commencing with this period, statements of other comprehensive income are included with the financial statements. The statement of other comprehensive income lists unrealized gains and losses for classifications of financial instruments that do not require such gains and losses to be included in net income.

3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (Cont'd)

Financial Instruments – Recognition and Measurement, CICA Handbook Section 3855

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based measured are used. 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 costs. 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 operations.

Hedges, CICA Handbook Section 3865

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on Accounting Guideline AcG-13 "Hedging Relationships", and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company does not apply hedge accounting and accordingly does not expect to be impacted by this standard.

4. EQUIPMENT

	June 30, 2007			December 31, 2006
	Cost $	**Accumulated Amortization $**	**Net Book Value $**	**Net Book Value $**
Computers	3,526	1,622	1,904	1,926
Office furniture and equipment	3,108	1,032	2,076	2,306
	6,634	2,654	3,980	4,232

5. MINERAL PROPERTIES

At June 30, 2007, the Company's mineral properties were comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Balance Dec. 31, 2005	2006 Expenditure	Balance Dec. 31, 2006	2007 Expenditure	Balance June 30, 2007
<u>BRITISH COLUMBIA</u>					
Nechako Gold (Amarc JV) Property					
Acquisition costs	$ 80,000	$ -	$ 80,000	$ -	$ 80,000
Exploration costs					
Drilling	64,876	-	64,876	-	64,876
Equipment rentals	9,705	-	9,705	-	9,705
Field expenses	38,095	-	38,095	-	38,095
Geochemistry	36,690	3,378	40,068	-	40,068
Geological and miscellaneous	67,400	5,725	73,125	1,000	74,125
Geophysics	52,437	-	52,437	-	52,437
Land and recording fees	7,186	8,918	16,104	-	16,104
Line cutting	51,744	-	51,744	-	51,744
	408,133	18,021	426,154	1,000	427,154

5. MINERAL PROPERTIES (Cont'd)

	Balance Dec. 31, 2005	2006 Expenditure	Balance Dec. 31, 2006	2007 Expenditure	Balance June 30, 2007
BRITISH COLUMBIA (Cont'd)					
Nechako – Endurance 100% Property					
Acquisition costs	$ 873	$ -	$ 873	$ -	$ 873
Exploration costs					
Geological and miscellaneous	56	591	647	-	647
Land and recording fees	-	156	156	-	156
	929	747	1,676	-	1,676
BQ Property					
Acquisition costs	8,750	18,750	27,500	-	27,500
Exploration costs					
Drilling	-	193,661	193,661	-	193,661
Equipment rentals	-	263	263	-	263
Field expenses	4,734	54,274	59,008	7,135	66,143
Geochemistry	4,704	50,105	54,809	-	54,809
Geological and miscellaneous	12,348	102,512	114,860	14,816	129,676
Geophysics	8,100	44,541	52,641	-	52,641
Land and recording fees	960	12,435	13,395	-	13,395
Line cutting	4,146	28,602	32,748	-	32,748
	43,742	505,143	548,885	21,951	570,836
BQ – Endurance 100% Property					
Acquisition costs	-	1,649	1,649	-	1,649
	-	1,649	1,649	-	1,649
Virginia Silver Property					
Acquisition costs	-	8,569	8,569	-	8,569
Exploration costs					
Drilling	-	61,823	61,823	-	61,823
Field expenses	-	8,870	8,870	-	8,870
Geochemistry	-	17,071	17,071	-	17,071
Geological and miscellaneous	-	20,400	20,400	5,583	25,983
Land and recording fees	-	-	-	3,742	3,742
Line cutting	-	13,072	13,072	-	13,072
	-	129,805	129,805	9,325	139,130
Virginia Silver – Endurance 100% (Annie) Property					
Acquisition costs	-	712	712	-	712
Exploration costs					
Geological and miscellaneous	-	2,305	2,305	-	2,305
Land and recording fees	-	475	475	-	475
	-	3,492	3,492	-	3,492
BRITISH COLUMBIA –TOTAL	**452,804**	**658,857**	**1,111,661**	**32,276**	**1,143,937**

5. MINERAL PROPERTIES (Cont'd)

	Balance Dec. 31, 2005	2006 Expenditure	Balance Dec. 31, 2006	2007 Expenditure	Balance June 30, 2007
ONTARIO					
Dogpaw Property					
Acquisition costs	$ 214,000	$ -	$ 214,000	$ -	$ 214,000
Exploration costs					
Airborne survey	71,600	-	71,600	-	71,600
Drilling	207,091	-	207,091	-	207,091
Equipment rentals	1,920	-	1,920	-	1,920
Field expenses	25,155	375	25,530	-	25,530
Geochemistry	15,804	-	15,804	-	15,804
Geological and miscellaneous	120,315	1,682	121,997	2,114	124,111
Geophysics	22,130	-	22,130	-	22,130
Line cutting	71,837	-	71,837	-	71,837
Recoveries	-	-	-	(210,000)	(210,000)
	749,852	2,057	751,909	(207,886)	544,023
Hutton Property					
Acquisition costs	-	-	-	1,485	1,485
Exploration costs					
Geological and miscellaneous	-	-	-	92	92
	-	-	-	1,577	1,577
Pardo Property					
Acquisition costs	7,500	15,000	22,500	-	22,500
Exploration costs					
Drilling	-	13,729	13,729	-	13,729
Equipment rentals	-	5,821	5,821	-	5,821
Field expenses	-	27,816	27,816	18,346	46,162
Geochemistry	-	5,112	5,112	1,266	6,378
Geological and miscellaneous	5,081	49,733	54,814	41,957	96,771
Geophysics	-	5,005	5,005	22,065	27,070
Land and recording fees	91	13,500	13,591	-	13,591
Line cutting	-	14,307	14,307	-	14,307
Trenching	-	9,450	9,450	-	9,450
	12,672	159,473	172,145	83,634	255,779
Parkin Property					
Acquisition costs	-	-	-	3,604	3,604
Exploration costs					
Geological and miscellaneous	-	-	-	92	92
	-	-	-	3,696	3,696

5. MINERAL PROPERTIES (Cont'd)

	Balance Dec. 31, 2005	2006 Expenditure	Balance Dec. 31, 2006	2007 Expenditure	Balance June 30, 2007
ONTARIO (Cont'd)					
Turner Property					
Acquisition costs	$ 8,640	$ -	$ 8,640	$ -	$ 8,640
Exploration costs					
Field Expenses	-	17	17	-	17
Geological and miscellaneous	-	2,027	2,027	2,911	4,938
Line cutting	-	-	-	13,759	13,759
Land and recording fees	-	-	-	16,625	16,625
	8,640	2,044	10,684	33,295	43,979
Minnitaki Property					
Acquisition costs	-	4,409	4,409	-	4,409
Exploration costs					
Geological and miscellaneous	-	92	92	-	92
	-	4,501	4,501	-	4,501
ONTARIO –TOTAL	**771,164**	**168,075**	**939,239**	**(85,684)**	**853,555**
SASKATCHEWAN					
Simmie Property					
Acquisition costs	-	4,000	4,000	8,000	12,000
Exploration costs					
Field Expenses	-	1,340	1,340	-	1,340
Geological and miscellaneous	-	8,760	8,760	702	9,462
Land and recording fees	-	3,187	3,187	-	3,187
	-	17,287	17,287	8,702	25,989
SASKATCHEWAN –TOTAL	**-**	**17,287**	**17,287**	**8,702**	**25,989**
TOTAL MINERAL PROPERTIES	**$ 1,223,968**	**$ 844,219**	**$ 2,068,187**	**$ (44,706)**	**$ 2,023,481**

Nechako Gold (Amarc JV) Property, British Columbia

The Nechako Gold Property is comprised of eleven mineral claims located west of Quesnel, British Columbia. The Company owns a 69% interest in the Nechako Gold Joint Venture with partner, Amarc Resources Inc. ("Amarc") owning 31%.

Nechako–Endurance 100% Property, British Columbia

The Nechako-Endurance 100% Property is comprised of one mineral claim located west of Quesnel, British Columbia. The Company holds a 100% interest in the Nechako-Endurance 100% Property.

5. MINERAL PROPERTIES (Cont'd)

BQ Property, British Columbia

The Company has an option to earn a 100% interest in the BQ Property by making total cash payments of $70,000 ($17,500 paid) and issuing 250,000 shares (40,000 shares issued with a value of $10,000) on or before September 27, 2008. The Vendor retained a 3% net smelter return royalty ("NSR") interest, one-half of which may be purchased by the Company for $1,500,000.

BQ–Endurance 100% Property, British Columbia

The Company acquired a 100% interest in ten mineral claims in the Omineca Mining Division of British Columbia by staking.

Virginia Silver Property, British Columbia

The Company has an option to earn a 100% interest in the Virginia Silver Property, located in the Omineca Mining Division of northwestern British Columbia by issuing 100,000 warrants (issued with a value of $8,569) to the Optionor. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share until October 23, 2008. In addition, the Company, at the discretion of the Optionor, must either issue 250,000 common shares of the Company, or pay $250,000, on or before October 23, 2009 to complete its 100% earn-in.

Virginia Silver – Endurance 100% (Annie) Property, British Columbia

The Company acquired a 100% interest in seven mineral claims in the Omineca Mining Division of British Columbia by staking.

Dogpaw Property, Ontario

The Dogpaw Property is located in north-western Ontario. The 18 claims are 100% owned by the Company and were acquired by the issuance of 2,000,000 common shares valued at $214,000.

In January 2007, the Company entered into an option agreement with Houston Lake Mining Ltd. ("HLM"), whereby HLM could earn a 100% interest in four claims forming part of the Dogpaw ground, subject to a 2.5% NSR royalty interest that was retained by the Company, in return for a work commitment of $56,000 (incurred) and 100,000 shares of HLM (received with a value of $70,000). At any time, HLM may purchase back up to three-fifths of the retained royalty interest for $500,000 for each one-fifth of such interest. During the current quarter, HLM fulfilled all of its obligations and earned a 100% interest in the claims, subject to the retained royalty interest.

In February 2007, the Company entered into an option agreement with North American Uranium Corp. ("NAUC"), whereby NAUC has the right to acquire a 70% interest in the remaining 14 claims comprising the Dogpaw property, in return for a work commitment of $200,000 (incurred) and payment of 400,000 common shares of NAUC (received with a value of $140,000) by June 30, 2007. NAUC can earn a further 5% by issuing 50,000 common shares and spending an additional $250,000 exploration expenditures. As at the end of Quarter 2, NAUC has completed the required $200,000 exploration expenditure, and has earned its 70% interest in the claims. The results of that work, which included diamond drilling, are currently under review by NAUC. Due to delays in certain regulatory issues, NAUC has asked for and been granted an extension to September 30, 2007 to determine if it will elect to exercise the Second Option.

Hutton Property, Ontario

The Company acquired by staking a 100% interest in a mineral claim totaling 14 units in the Sudbury Mining Division of east-central Ontario.

Pardo Property, Ontario

The Company has an option to earn a 100% interest in the Pardo Property by making total cash payments of $100,000 ($15,000 paid) and issuing 200,000 shares (30,000 shares issued at a value of $7,500) on or before November 16, 2009. The Vendor retained a 3% NSR, one-half of which may be purchased by the Company for $1,500,000.

5. MINERAL PROPERTIES (Cont'd)

Parkin Property, Ontario

The Company acquired by staking a 100% interest in five mineral claims totaling 34 units in the Sudbury Mining Division of east-central Ontario.

Turner Property, Ontario

The Company acquired a 100% interest in 17 mineral claims totaling 223 units in the Sudbury Mining Division of east-central Ontario by staking.

Minnitaki Property, Ontario

The Company acquired by staking a 100% interest in three claims totaling 44 units in the Minnitaki Lake region of northwestern Ontario.

Simmie Property, Saskatchewan

The Company has an option to earn a 100% interest in the Simmie Gold Project, located southwest of Swift Current, Saskatchewan, by issuing 200,000 shares (60,000 shares issued at a value of $12,000) and incurring $150,000 in exploration expenditures over three years. The Vendor retained a 3% NSR, one-half of which may be purchased by the Company for $1,500,000.

6. INVESTMENT

The Company received 100,000 shares of HLM and 400,000 common shares of NAUC as per the option agreements entered in early 2007 in related to the Dogpaw Property in Ontario.

At June 30, 2007, the Company owns common shares in public and private companies as follows:

	June 30, 2007			December 31, 2006		
	No. of Shares $	Carrying Value $	Market Value $	No. of Shares $	Carrying Value $	Market Value $
Houston Lake Mining Ltd.[1]	100,000	87,000	87,000	Nil	Nil	Nil
North American Uranium Corp. [2]	400,000	140,000	140,000	Nil	Nil	Nil
		227,000	227,000	Nil	Nil	Nil

(1) Public company - Shares traded on TSX Venture Exchange, symbol "HLM".
(2) Private company.

7. CAPITAL STOCK

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and outstanding:

	Number of Shares		Amount		Contributed Surplus
Balance at December 31, 2006	**17,995,086**	**$**	**2,525,976**	**$**	**185,285**
For mineral property acquisition at $0.20 per share	40,000		8,000		-
For stock-based compensation	-		-		29,854
For cash at $0.23 per share	8,737,600		2,009,648		-
For agent's commission at $0.23 per share	309,500		71,185		-
For agent's options	-		(54,148)		54,148
For share issuance costs	-		(193,507)		-
Balance at June 30, 2007	**27,082,186**	**$**	**4,367,154**	**$**	**269,287**

Of the outstanding shares as of June 30, 2007, 3,234,300 shares are held in escrow. Under the escrow agreement, 15% of the original 7,187,334 shares held in escrow will be released every six months from August 4, 2005. Subsequent to June 30, 2007, 1,078,100 shares were released from escrow.

(c) Stock Options, Warrants and Agent's Compensation Options Outstanding

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture Exchange. Options to purchase common shares have been granted to directors, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. A summary of the options outstanding at June 30, 2007 is as follows:

Number Outstanding	Exercise Price $	Expiry Date
1,050,000	0.25	August 4, 2008
100,000	0.20	February 2, 2009
75,000	0.26	April 25, 2009
150,000	0.23	March 26, 2010
50,000	0.23	May 10, 2010
1,425,000		

As at June 30, 2007, the Company had warrants outstanding to purchase 9,082,100 common shares, exercisable at prices ranging from $0.20 to $0.45 per share that expire between July 27, 2007 and October 23, 2008.

The Company also had 1,442,000 Agent's compensation options outstanding at June 30, 2007. Of these options, 800,000 options were issued to the Agent in connection with the Company's initial public offering, each of which entitled the Agent to purchase one unit at a price of $0.25 per unit until July 27, 2007, with each unit consisting of one common share and one warrant exercisable until July 27, 2007 into one additional common share upon payment of the sum of $0.45 per share. The remaining 642,000 Agent's compensation options were issued to the Agent in connection with the Company's brokered private placement completed in March 2007, each of which entitles the Agent to purchase one common share of the Company at a price of $0.40 per share until September 20, 2008.

7. CAPITAL STOCK (Cont'd)

(d) Stock-based compensation

The fair value of options reported as compensation expense during the period has been estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	2007		**2006**	
Description	**2nd Qtr**	**1st Qtr**	**2nd Qtr**	**1st Qtr**
Expected dividend yield	0.0%	0.0%	0.0%	0.0%
Risk free interest rate	4.19%	3.99%	4.27%	3.97%
Expected stock price volatility	118.78%	129.29%	50%	77%
Expected life of options	3 years	3 years	3 years	3 years
Weighted average fair value	$0.1304	$0.1556	$0.0982	$0.1047

Based on the foregoing, stock-based compensation expenses of $29,854 (2006 - $17,836) was recorded for options that vested during the current period.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

8. INCOME TAXES

Flow-through Expenditures

Under the Canadian Income Tax Act (the "Act") a company may issue a form of securities referred to as "flow through" shares. Expenditures made using the proceeds from the sale of flow through shares for certain qualifying activities (designated under the Act as "Canadian Exploration Expense") can be renounced by the company to the investors if the company has reasonable assurance that the expenditures will be completed. When the expenditures are renounced, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), thereby reducing share capital. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

The Company raised $998,200 from the issuance of 4,340,000 flow-through shares in March 2007. At June 30, 2007, $117,209 qualified expenditures had been incurred, and the amount of flow-through proceeds remaining to be expended was $880,991.

In February 2006, the Company renounced $1,200,000 of exploration expenditures raised through the issuance of flow through shares in 2005, resulting in a future tax liability of $419,400, which was deducted from share capital. The Company subsequently reduced the future income tax liability by recognizing previously unrecorded future income tax assets equal to the amount of the future tax liability. This decrease in the valuation allowance resulted in a future income tax recovery of $419,400 that was recorded in the Statements of Operations and Deficit for the first quarter of 2006.

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Supplementary disclosure of non-cash investing and financing activities:

	2007	2006
Shares issued for mineral property	$ 8,000	$ 7,000
Shares received for mineral properties optioned to third parties	210,000	-
Shares issued for agent's units commission	71,185	-
Agent's compensation options	54,148	-
Stock-based compensation	29,854	17,836

Incurred mineral property expenditures of $37,886 through accounts payable ($55,542 - 2006).

10. RELATED PARTY TRANSACTIONS

During the six month period ended June 30, 2007, the Company entered into the following related party transactions:

a) paid or accrued companies controlled by Company officers an aggregate of $31,000 ($44,500 in 2006) for geological fees included in mineral property expenses, and $54,200 ($36,400 in 2006) for management fees.

b) paid a company with a common director an aggregate of $11,608 ($13,992 in 2006) for rent.

c) certain directors and an officer of the Company subscribed for a total of 1,948,034 units of the Company at a price of $0.23 per unit in a private placement completed during the current period. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant will be exercisable at $0.40 into one common share for a period of 18 months from the closing of the private placement.

d) during the same period in 2006, two directors of the Company, Messrs. Arnold and Gilliam, subscribed for 1,000,000 non-brokered private placement units of the Company at a price of $0.30 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant will be exercisable at $0.40 into one common share on or before June 16, 2007. These warrants were extended by one year to June 16, 2008.

11. ACCUMULATED OTHER COMPREHENSIVE INCOME

	2007
	$
Accumulated other comprehensive income (loss), beginning of the period	-
Other comprehensive income (loss) for the period	17,000
Accumulated other comprehensive income (loss), end of the period	17,000

Components of accumulated other comprehensive income, June 30, 2007	
Unrealized gains on investment in public company shares	17,000

12. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the financial statement presentation in the current period.

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2007:

- 400 Agent's compensation options were exercised at $0.25 per unit.
- 799,600 Agent's compensation options expired unexercised.
- 4,075,000 Warrants expired unexercised.

MANGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A"), prepared as of August 21, 2007 (the "Report Date"), reviews the activities of Endurance Gold Corporation ("Endurance", or the "Company") and compares the financial results for the six month period ended June 30, 2007 with the comparable period in 2006. In order to gain a more complete understanding of Endurance's financial condition and results of operations, this MD&A should be read in conjunction with the audited and unaudited financial statements and accompanying notes for all relevant periods, copies of which are filed on the SEDAR website.

1. Overview

Endurance (formerly 6172342 Canada Ltd.) was incorporated under the provisions of the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. The Company's exploration efforts at the present time are focused on the exploration and development of precious metal properties in Canada, principally in British Columbia and Ontario. The Company's common shares have been listed and traded on the TSX Venture Exchange under the symbol "EDG" since August 4, 2005.

Endurance explores for precious metal deposits, none of which have been advanced to the point where a production decision can be made. The Company has no producing properties, and no sales or revenues.

The Company completed brokered and non-brokered private placement financings on March 20 and 23, 2007, respectively, receiving gross proceeds in the aggregate amount of $2,009,648 by issuing 4,340,000 flow-through shares ("FT shares") at a price of $0.23 per FT share and 4,397,600 non-flow-through units ("Units") at a price of $0.23 per Unit. Each Unit consists of one common share and one share purchase warrant entitling the holder to purchase one common share of the Company for a period of up to eighteen months at a price of $0.40. The funds from the private placements will be used to finance exploration programs on the Pardo, Turner and BQ Projects, with lesser work commitments on the Nechako Project, and to provide general working capital.

The Company's exploration efforts during the six month period ended June 30, 2007 were primarily focused on the Pardo and Turner Projects, in Ontario, and the BQ Project in British Columbia.

Pardo Project

The Pardo Project is located 65 kilometres northeast of Sudbury, in east-central Ontario. Endurance is earning a 100% interest in the 2,864 hectare property by making cash payments totalling $100,000 ($15,000 paid to date) and issuing 200,000 shares (30,000 issued to date) by November 16, 2009. Duncan McIvor, the President and CEO of Endurance Gold Corporation, is a minority underlying vendor of the property.

During the reporting period, the Company completed a 14 line-kilometre Gradient Induced Polarization ("IP") survey on the property, focusing on the Trench 2 Area and its immediate strike extensions. Several strong IP chargeability anomalies were identified by the survey, including a very strong chargeability high that extends for a strike length of 200 metres north of, and 200 metres south of the Trench 2 Area, During the 2006 field season, surface channel sampling at Trench 2 returned values to 3.5 grams per tonne gold ("gpt Au") over 13.5 metres. A second strong parallel IP chargeability anomaly was detected approximately 200 metres east of the Trench 2 Area, and extends in a north-south direction over a strike length of 400 metres.

Also during the reporting period, geological mapping was completed over a 20 line-kilometre grid cut last fall on the property. Again, the grid was centered on the Trench 2 Area, and the mapping program was designed to identify extensions of the host conglomerate unit away from the previously identified mineralization. The program successfully identified several new conglomerate hosted targets, returning grab sample values to 1.8 gpt Au. All zones require follow-up detailed additional sampling.

Subsequent to the end of Quarter 2, the Company completed a 1,000 sample humus geochemical survey over the 20 line-kilometre grid. Previous historical work on the property had indicated that humus geochemistry was a very effective tool in identifying prospective zones of mineralization within the widespread conglomerate horizon. Results from the geochemical survey are pending, and should be available in September, 2007. Those results will aid in focusing additional work, including drilling, on the property.

Subsequent to the end of Quarter 2, the Company completed a fifty-six hole, 652 metre diamond drilling program on the property. Thirty seven of the holes were drilled in the Trench 2 Area. The holes, all vertical, tested the flat lying basal conglomerate on 10 metre centres, over an area measuring approximately 50 metres by 50 metres. Thirty six of the thirty seven holes intersected at least some thickness of conglomerate, ranging from less than 1.0 metre to in excess of 11.0 metres. Sulphide content within the conglomerate was highly variable, ranging from less than 1% to in excess of 20% over localized widths. An additional eighteen holes tested strong IP anomalies south and east of the Trench 2 Area. Again, these holes intersected variable thicknesses of conglomerate, with sulphide contents ranging from less than 1% to 5-7% in places. Four hundred and eight samples have been submitted to Accurassay Laboratories in Thunder Bay, Ontario, and a complete set of results are expected in early September, and will be reported at that time.

Also subsequent to the end of Quarter 2, the Company began expanding the existing grid by approximately 50.0 line-kilometres, extending coverage an additional 500 metres to the east, 500 metres to the west, and 1500 metres south. Two additional grids totalling approximately 20 line-kilometres will also be emplaced on target areas in the southern portion of the property. As at the date of this report, that work is on-going.

Turner Project

The Turner Project, comprised of 17 claims totalling 223 claim units and 3,568 hectares, is located 40 kilometres north-northwest of the Pardo Project, in east-central Ontario. Endurance Gold Corporation owns a 100% interest in all claims comprising the property.

During Quarter 2, the Company completed a 26 line-kilometre grid over a portion of the property where previous exploration activity from the 1950s returned anomalous uranium values to 0.27% U_3O_8 over seven feet on surface, and narrow drill intercepts to 0.06% U_3O_8. The host pyritic conglomerate appears to be very similar to the basal conglomerate at Pardo, and is felt to be prospective for gold, as well as low grade uranium.

Subsequent to the end of Quarter 2, the Company completed a ground magnetic-VLF geophysical survey over the established grid. That work assisted in defining the contact zone between the underlying Archean volcanic and iron formation assemblages, and the overlapping Proterozoic sediments.

During Quarter 3, the Company is planning to complete detailed geological mapping on the property, to be followed by additional geophysical surveys (radiometrics, IP) in advance of a winter 2007 diamond drilling program if warranted.

Dogpaw Project – Houston Lake Mining Option

The Dogpaw Lake Project is located 60 kilometres southeast of Kenora, in northwestern Ontario. In January 2007, Endurance optioned a portion of the property comprising two land packages totalling 28 claim units to Houston Lake Mining Inc. ("HLM") of Sudbury, Ontario. The Dogpaw Lake Agreement requires HLM to issue 100,000 shares and to apply a total of $56,000 in approved assessment work to earn a 100% interest in the two claim blocks. The ownership interest is subject to a 2.5% net smelter returns royalty interest retained by the Company. HLM can purchase at any time up to three-fifths of the retained royalty interest upon the payment of $500,000 per one-fifth of such interest.

During Quarter 2, HLM completed and filed the required work. HLM had previously issued the 100,000 share option payment during Quarter 1 of 2007. As such, as at the end of Quarter 2, HLM had successfully earned a 100% interest in the claims in question, subject to the 2.5% NSR royalty interest.

Dogpaw Project – North American Uranium Option

In March 2007, the Company optioned the remaining 14 claims comprising the Dogpaw Property to North American Uranium Corp ("NAUC"), a private British Columbia company, whereby NAUC can acquire up to a 75% interest in the property. Under the terms of the Agreement, NAUC may earn an initial 70% interest (the "Initial Option") through issuing 400,000 shares to Endurance (which have been received) and by completing $200,000 in exploration expenditures on the property by June 30, 2007. On exercise of the Initial Option, NAUC would have 30 days to determine if it will elect to exercise a second option (the "Second Option"), whereby it may earn an additional 5% interest in the property through issuing an additional 50,000 shares and completing an additional $250,000 in exploration expenditures within 12 months of electing to exercise. On exercise of the Initial Option, and if NAUC elects not to exercise the Second Option, the parties will form a 70% NAUC – 30% Endurance joint venture to proceed with any exploration and development on the property. Should NAUC exercise the Second Option, the parties will form a 75% NAUC – 25% Endurance joint venture to proceed with any work on the property.

As at the end of Quarter 2, NAUC has completed the required $200,000 exploration expenditure, and has earned its 70% interest in the claims in question. The results of that work, which included diamond drilling, are currently under review. Due to delays in certain regulatory issues, NAUC has asked for and been granted an extension to September 30, 2007 to determine if it will elect to exercise the Second Option.

BQ Project

The BQ Project is located 25 kilometres northwest of Smithers, in northwestern British Columbia. Endurance Gold is earning a 100% interest in the property, subject to a 3% NSR, by making cash payments totalling $70,000 (of which $17,500 has been paid) and issuing 250,000 shares (of which 40,000 have been issued) by September 27, 2008.

No work was completed on the BQ Project during Quarter 2. Subsequent to the end of the quarter, Endurance completed an 814 line-kilometre high resolution EM – magnetic airborne survey over the property. The results of that airborne survey, completed in late July by Aeroquest Ltd., are still being processed. The Company looks forward to receipt of final maps in advance of additional exploration planning for the project through the remainder of the year.

2. Results of Operations

The Company's net loss for the six month period ended June 30, 2007 was $178,771 or $0.01 per common share, compared to a net income of $279,871 or $0.02 per common share for the same period in 2006. The net income in the same period in 2006 reflects a non-cash income tax recovery of $419,400 that relates to the renunciation of $1,200,000 of flow through expenditures to investors in February 2006 (see note 8 to the financial statements). This income item effectively reduces Capital Stock whilst also decreasing Deficit by the same amount. There is no effect on cash.

Three months ended June 30, 2007

General and administrative expenses before other items for the three month ended June 30, 2007, totaled $80,127 (2006 - $70,724), $9,403 higher than comparable expenses incurred in the same quarter of last year.

Corporate communications expenses were $13,604 (2006 - $3,367), an increase of $10,237. The increase in corporate communications expenses reflects the higher level of activity in the current three months period. Management fees expenses totaled $21,250 (2006 - $18,950), an increase of $2,300. In the current quarter, an additional $20,000 (2006 - $20,500) in management fees was capitalized to mineral properties. Office and administrative expenses totaled $11,566 (2006 - $20,977), which amount included insurance expenses of $4,931 (2006 - $8,744), a decrease of $3,813, due to a lower insurance premium and tax expenses on unspent flow through funds of $nil (2006 - $5,736). Stock-based compensation expense (a non-cash charge) of $6,520 (2006 - $7,365), was incurred this quarter as a result of the vesting of 50,000 (2006 – 75,000) stock options granted. General exploration and business development expenses totaled $15,518 (2006 - $5,116), an increase of $10,402. The increase in expenses reflects the higher level of activity in the current quarter.

Six months ended June 30, 2007

General and administrative expenses before other items for the six month period ended June 30, 2007, totaled $198,885 (2006 - $152,120), $46,765 higher than the comparable expenses incurred in the same period of 2006.

Management fees totaled $54,200 (2006 - $36,400), an increase of $17,800. In the current period, an additional $31,000 (2006 - $44,500) in management fees was capitalized to mineral properties. Corporate communications expenses of $27,263 (2006 - $10,279), exploration and business development of $38,658 (2006 - $9,655), all increased in the current period. As with the three months ended June 30, 2007, the increase in expenses reflects the higher level of activity in the current period.

Stock-based compensation expense of $29,854 (2006 - $17,836) was incurred as a result of the vesting of 250,000 stock options (2006 – 175,000) granted. Office and administrative expenses decreased by $21,604 to $25,420 (2006 - $47,024) during the current period. The changes discussed above for the three month period were also largely responsible for the changes that were incurred in the six month period ended June 30, 2006. Most other general and administrative costs in the current period were at levels similar to the comparable period in 2006.

3. Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the three months ending on June 30, 2007 is summarized in the table below.

Quarter Ended: / Year:	June 30 2007	Mar. 31 2007	Dec. 31 2006	Sep. 30 2006	June 30 2006	Mar. 31 2006	Dec. 31 2005	Sep. 30 2005
Net sales or total revenue ($000s)	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$(64)	$(115)	$(166)	$(35)	$(64)	$344	$(99)	$(117)
(ii) per share[(1)]	$(0.00)	$(0.01)	$(0.01)	$(0.00)	$(0.00)	$0.02	$(0.01)	$(0.01)
Net income or loss:								
(i) in total (000s)	$(64)	$(115)	$(166)	$(35)	$(64)	$344	$(99)	$(117)
(ii) per share[(1)]	$(0.00)	$(0.01)	$(0.01)	$(0.00)	$(0.00)	$0.02	$(0.01)	$(0.01)

(1) Basic and diluted losses per share are the same, as the effect of potential issuances of shares under stock option agreements would be anti-dilutive.

The net gain reported in the first quarter and loss in the fourth quarter of 2006 are related to potential future tax effects and adjustments related to the renouncement of $1,200,000 flow-through expenditures to investors in February 2006.

4. Liquidity and Capital Resources

The Company has no operations that generate cash flow. The Company finances its activities primarily by the sale of its equity securities.

The Company does not use debt financing to fund its property acquisitions and exploration activities and Endurance has no current plans to use debt financing. However, from time to time between the Company's formation in late 2003 and the closing of its IPO in 2005, the Company relied upon non-interest bearing advances from its principal shareholder to provide short-term funding. All such advances were converted into common shares at a price of $0.107 per share.

The Company has no stand-by credit facilities, or any off-balance sheet arrangements and it does not use hedges or other financial derivatives.

Cash and Financial Conditions

The Company's cash position was $1,744,123 at June 30, 2007 ($220,448 at December 31, 2006), an increase of $1,523,675. Funds were provided primarily from net proceeds from the issuance of shares ($1,887,326).

The Company had working capital of $1,785,632 at June 30, 2007, as compared to working capital of $204,265 at December 31, 2006.

Investing Activities

During the current six month period, the Company's cash flow used for investing activities was $290 (2006 - $380) for purchase of equipment, $nil (2006 - $5,000) for reclamation bonds and $136,098 (2006 - $322,129) on mineral properties, all of which represented acquisition and exploration costs that were capitalized.

Financing Activities

During the current six month period, the Company completed two financings and received gross proceeds of $2,009,648 by issuing 4,340,000 flow through shares ("FT shares") at a price of $0.23 per FT share and a total of 4,397,600 non-flow through units ("Units") at a price of $0.23 per Unit. Each Unit consists of one common share and one share purchase warrant entitling the holder to purchase one common share of the Company for a period of up to eighteen months at a price of $0.40 per share.

During the same period in 2006, the Company received a total of $300,000 from the sale of 1,000,000 units in a non-brokered private placement at a price of $0.30 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.40 into one common share on or before June 16, 2007. The expiry date of these warrants was extended by one year to June 16, 2008.

Outlook

It is anticipated that for the foreseeable future, Endurance will rely on the equities markets to meet its financing needs. The Company intends to continue carry out exploration programs on the Pardo and Turner Properties in Ontario, the Nechako and BQ properties in British Columbia. The Company will continue to review, evaluate and potentially acquire new, highly prospective land positions, either by staking, purchase or option, or by negotiating joint venture agreements.

Outstanding share data as at the Report Date

On the Report Date, Endurance had 27,082,186 common shares outstanding or 34,956,286 shares on a fully diluted basis as follows:

	No. of Shares	Exercise Price	Expiry Date
Employee Stock Options	1,425,000	$0.20 - $0.26	Aug. 4, 2008 to May 10, 2010
Warrants	5,807,100	$0.20 - $0.40	June 16, 2008 to October 23, 2008
Agent's Options	642,000	$0.40	September 20, 2008

5. Transactions with Related Parties

During the six months ended June 30, 2007:

(a) the Company paid or accrued an aggregate amount of $60,000 (2006 - $60,000) to McIvor Geological Consulting, a company controlled by Duncan McIvor, the Company's President and a director, for management and geological consulting services.

(b) the Company paid or accrued an aggregate amount of $25,200 (2006 - $20,900) to Teresa Cheng, the Company's CFO, for management and administrative services.

(c) the Company paid or accrued an aggregate amount of $11,608 (2006 - $13,992) to First Point Minerals Corp., company with a common director, for rent and services.

(d) the directors and an officer of the Company, Messrs. Arnold, Gilliam, McIvor, Mitchell and Ms. Cheng, subscribed for a total of 1,948,034 private placement units of the Company at a price of $0.23 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant will be exercisable at $0.40 into one common share on or before September 23, 2008.

(e) during the same period in 2006, two directors of the Company, Messrs. Arnold and Gilliam, subscribed for 1,000,000 non-brokered private placement units of the Company at a price of $0.30 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.40 into one common share on or before June 16, 2007. These warrants were extended by one year to June 16, 2008.

These transactions were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

6. Management's Evaluation of Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

7. Changes in Accounting Policies including Initial Adoption

The Company adopted three new accounting standards, effective January 1, 2007, related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). 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, 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 costs. 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 operations.

Comprehensive Income, CICA Handbook Section 1530

Comprehensive income is the change in equity (net assets) of an enterprise during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company would report a statement of comprehensive income (loss) and a new category, accumulated other comprehensive income, would be added to the shareholders' equity section of the balance sheet. The components of this new category would include unrealized gains and losses on financial assets classified as available for sale and the effective portion of cash flow hedges, if any.

Hedges, CICA Handbook Section 3865

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on Accounting Guideline AcG-13 "Hedging Relationships", and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company does not apply hedge accounting and accordingly does not expect to be impacted by this standard.

8. Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party, and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.