ENDURANCE GOLD CORPORATION

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Endurance Gold Corporation ("the Company"), for the nine month period ended September 30, 2006, 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)

		September 30, 2006 (Unaudited)		December 31, 2005 (Audited)
ASSETS				
Current				
Cash	$	496,572	$	948,693
Prepaid expenses and deposits		29,734		23,778
Receivables		15,649		32,606
		541,955		1,005,077
Equipment (Note 3)		4,574		5,207
Reclamation bond		8,500		3,500
Mineral properties (Note 4)		1,893,804		1,223,968
	$	2,448,833	$	2,237,752
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	70,359	$	21,026
		70,359		21,026
Shareholders' equity				
Capital stock (Note 5)		2,540,016		2,641,166
Contributed surplus (Note 5)		176,716		158,880
Deficit		(338,258)		(583,320)
		2,378,474		2,216,726
	$	2,448,833	$	2,237,752

Nature and continuance of operations (Note 1)

On behalf of the Board:

/s/ Duncan McIvor	/s/ J. Christopher Mitchell
Director	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 September 30, 2006	Three Months ended September 30, 2005	Nine Months ended September 30, 2006	Nine Months ended September 30, 2005
EXPENSES				
Amortization	$ 342	$ -	$ 1,013	$ -
Corporate communications	2,784	3,156	13,063	9,639
Exploration and business development	1,038	11,590	10,693	13,572
Listing and transfer agent fees	2,650	28,817	16,248	29,818
Management fees	15,215	30,476	51,615	72,750
Office and administrative	12,198	16,713	48,270	51,067
Professional fees	3,587	27,665	20,244	52,595
Stock-based compensation	-	-	17,836	107,802
	(37,814)	(118,417)	(178,982)	(337,243)
OTHER ITEMS				
Interest income	5,226	1,135	17,817	1,135
Part XII.6 tax on unspent flow-through funds	(2,221)	-	(13,173)	-
NET LOSS BEFORE TAX	(34,809)	(117,282)	(174,338)	(336,108)
Future income tax recovery (Note 6)	-	-	419,400	-
NET INCOME (LOSS) FOR THE PRIOD	(34,809)	(117,282)	245,062	(336,108)
DEFICIT, BEGINNING OF PERIOD	(303,449)	(367,418)	(583,320)	(148,592)
DEFICIT, END OF PERIOD	$ (338,258)	$ (484,700)	$ (338,258)	$ (484,700)
Earnings (loss) per common share	$ (0.00)	$ (0.01)	$ 0.01	$ (0.03)
Weighted average number of common shares outstanding	17,956,879	14,354,543	17,289,720	10,232,346

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 September 30, 2006	Three Months ended September 30, 2005	Nine Months ended September 30, 2006	Nine Months ended September 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	$ (34,809)	$ (117,282)	$ 245,062	$ (336,108)
Add items not involving cash:				
Amortization	342	-	1,013	-
Stock-based compensation	-	-	17,836	107,802
Future tax recovery	-	-	(419,400)	-
Changes in non-cash working capital items:				
Prepaid expenses and deposits	(2,130)	(30,844)	(5,956)	(33,251)
Receivables	14,399	29,516	16,957	15,781
Accounts payable and accrued liabilities	(62,217)	(135,132)	6,745	(52,632)
Net cash used in operating activities	(84,415)	(253,742)	(137,743)	(298,408)
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral properties	(231,327)	(242,672)	(608,998)	(269,318)
Purchase of equipment	-	-	(380)	-
Reclamation bond	-	-	(5,000)	-
Net cash used in investing activities	(231,327)	(242,672)	(614,378)	(269,318)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares	-	2,000,000	300,000	2,000,000
Share issuance costs	-	(172,343)	-	(262,403)
Subscriptions receivable	-	-	-	163,275
Net cash provided by financing activities	-	1,827,657	300,000	1,900,872
Increase (decrease) in cash during the period	(315,742)	1,331,243	(452,121)	1,333,146
Cash, beginning of period	812,314	6,485	948,693	4,582
Cash, end of period	$ 496,572	$ 1,337,728	$ 496,572	$ 1,337,728

Supplemental disclosures with respect to cash flows (Note 7)

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

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.

	September 30, 2006	**December 31, 2005**
Deficit	$(338,258)	$(583,320)
Working Capital	$471,596	$984,051

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, 2005. 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.

The Company has not changed any of its existing accounting policies, nor has it adopted any new accounting policies since its last fiscal year end.

3. EQUIPMENT

	September 30, 2006			**December 31, 2005**
	Cost $	**Accumulated Amortization $**	**Net Book Value $**	**Net Book Value $**
Computers	3,237	1,105	2,132	2,751
Office furniture and equipment	3,108	666	2,442	2,456
	6,345	1,771	4,574	5,207

4. MINERAL PROPERTIES

At September 30, 2006, the Company's mineral properties were comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Balance December 31, 2005	2006 Expenditure	Balance September 30, 2006
	$	$	$
BRITISH COLUMBIA			
Nechako Gold (Amarc JV) Property			
Acquisition costs	80,000	-	80,000
Exploration costs			
Drilling	64,876	-	64,876
Equipment rentals	9,705	-	9,705
Field expenses	38,095	-	38,095
Geochemistry	36,690	3,378	40,068
Geological and miscellaneous	67,400	5,725	73,125
Geophysics	52,437	-	52,437
Land & recording fees	7,186	8,918	16,104
Line cutting	51,744	-	51,744
	408,133	**18,021**	**426,154**
Nechako – Endurance 100% Property			
Acquisition costs	873	-	873
Exploration costs			
Geological and miscellaneous	56	591	647
Land & recording fees	-	156	156
	929	**747**	**1,676**
BQ Property			
Acquisition costs	8,750	18,750	27,500
Exploration costs			
Drilling	-	193,661	193,661
Equipment rentals	-	263	263
Field expenses	4,734	50,897	55,631
Geochemistry	4,704	43,962	48,666
Geological and miscellaneous	12,348	96,482	108,830
Geophysics	8,100	44,541	52,641
Land & recording fees	960	12,435	13,395
Line cutting	4,146	19,218	23,364
	43,742	**480,209**	**523,951**
BQ – Endurance 100% Property			
Acquisition costs	-	1,649	1,649
	-	**1,649**	**1,649**

4. MINERAL PROPERTIES (cont'd…)

	Balance December 31, 2005	2006 Expenditure	Balance September 30, 2006
	$	$	$
Eagle Gold-Silver Property			
Acquisition costs	-	8,000	8,000
Exploration costs			
Field expenses	-	5,513	5,513
Geological and miscellaneous	-	5,520	5,520
	-	**19,033**	**19,033**
Virginia Silver – Endurance 100% (Annie) Property			
Acquisition costs	-	712	712
Exploration costs			
Geological and miscellaneous	-	1,805	1,805
Land & recording fees	-	475	475
	-	**2,992**	**2,992**
Virginia Silver Property			
Acquisition costs	-	-	-
Exploration costs			
Field expenses	-	2,436	2,436
Geological and miscellaneous	-	2,853	2,853
Line cutting	-	9,134	9,134
	-	**14,423**	**14,423**
BRITISH COLUMBIA - TOTAL	**452,804**	**537,074**	**989,878**
ONTARIO			
Dogpaw Property			
Acquisition costs	214,000	-	214,000
Exploration costs			
Airborne survey	71,600	-	71,600
Drilling	207,091	-	207,091
Equipment rentals	1,920	-	1,920
Field expenses	25,155	375	25,530
Geochemistry	15,804	-	15,804
Geological and miscellaneous	120,315	1,683	121,998
Geophysics	22,130	-	22,130
Line cutting	71,837	-	71,837
	749,852	**2,058**	**751,910**

4. MINERAL PROPERTIES (cont'd…)

	Balance December 31, 2005	2006 Expenditure	Balance September 30, 2006
	$	$	$
Pardo Property			
Acquisition costs	7,500	15,000	22,500
Exploration costs			
Drilling	-	13,729	13,729
Equipment rentals	-	5,821	5,821
Field expenses	-	26,537	26,537
Geochemistry	-	3,343	3,343
Geological and miscellaneous	5,081	33,677	38,758
Land & recording fees	91	9,000	9,091
	12,672	**107,107**	**119,779**
Turner Property			
Acquisition costs	8,640	-	8,640
Exploration costs			
Field expenses	-	17	17
Geological and miscellaneous	-	1,811	1,811
	8,640	**1,828**	**10,468**
Minnitaki Property			
Acquisition costs	-	4,409	4,409
Exploration costs			
Geological and miscellaneous	-	92	92
	-	**4,501**	**4,501**
ONTARIO - TOTAL	**771,164**	**115,494**	**886,658**
SASKATCHEWAN			
Simmie Property			
Acquisition costs	-	4,000	4,000
Exploration costs			
Field expenses	-	1,340	1,340
Geological and miscellaneous	-	8,741	8,741
Land & recording fees	-	3,187	3,187
	-	**17,268**	**17,268**
SASKATCHEWAN - TOTAL	**-**	**17,268**	**17,268**
TOTAL MINERAL PROPERTIES	**$ 1,223,968**	**$ 669,836**	**$ 1,893,804**

4. MINERAL PROPERTIES (cont'd…)

BRITISH COLUMBIA

Nechako Gold (Amarc JV) Property

The Company owns a 67% interest in the Nechako Gold Joint Venture with partner, Amarc Resources Inc. ("Amarc") owning 33%.

Nechako–Endurance 100% Property

The Company currently has a 100% interest in one mineral claim located west of Quesnel, British Columbia. The Company staked six mineral claims in 2005, and dropped five mineral claims during the current quarter.

BQ Property

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) on or before September 27, 2008. The Vendor retained a 3% net smelter return royalty interest, one-half of which may be purchased by the Company at any time for $1,500,000.

BQ–Endurance 100% Property

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

Eagle Gold-Silver Property

By an agreement dated February 1, 2006, the Company acquired an option to earn a 100% interest in the Eagle Gold-Silver property, located south of Whitehorse, Yukon Territory, and south of the past producing Mt. Skukum gold mine, in the Atlin Mining District of northwest B.C., by issuing 100,000 shares (15,000 shares issued) and making cash payments totaling $50,000 ($5,000 paid) over three years. The Vendor retained a 2.5% net smelter return royalty interest, three-fifths of which may be purchased by the Company at any time for $1,500,000.

Virginia Silver – Endurance 100% (Annie) Property

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

Virginia Silver Property

By an agreement dated August 8, 2006, the Company acquired an option to earn a 100% interest in the Virginia Silver Property, located in the Omineca Mining Division of northwestern British Columbia. Under the terms of the agreement, the Company will issue 100,000 warrants (issued subsequent to September 30, 2006) exercisable at $0.20 for a period of two years from October 23, 2006. 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.

4. MINERAL PROPERTIES (cont'd…)

ONTARIO

Dogpaw Property
The Company holds a 100% interest in the Dogpaw Property.

Pardo Property

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) on or before November 16, 2009. The Vendor retained a 3% net smelter return royalty interest, one-half of which may be purchased by the Company at any time for $1,500,000.

Turner Property

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

Minnitaki Property

The Company acquired a 100% interest in three claims totaling 44 units (704 hectares) in the Minnitaki Lake region of northwestern Ontario by staking.

SASKATCHEWAN

Simmie Property

By an agreement dated January 30, 2006, as amended September 21, 206, the Company acquired an option to earn a 100% interest in the Simmie Gold Project, located southwest of Swift Current, Saskatchewan, by issuing 200,000 shares (20,000 shares issued) and incurring $150,000 in exploration expenditures over three years. The Vendor retained a 3% net smelter return royalty interest, one-half of which may be purchased by the Company at any time for $1,500,000.

5. 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, 2005	**16,915,086**	**$**	**2,641,166**	**$**	**158,880**
For mineral property acquisition at $0.20 per share	35,000		7,000		-
For mineral property acquisition at $0.25 per share	45,000		11,250		-
For cash at $0.30 per share	1,000,000		300,000		-
For stock-based compensation	-		-		17,836
Flow-through share renunciation (Note 6)	-		(419,400)		-
Balance at September 30, 2006	**17,995,086**	**$**	**2,540,016**	**$**	**176,716**

5. CAPITAL STOCK (cont'd…)

Of the outstanding shares as of September 30, 2006, 4,312,400 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.

(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 September 30, 2006 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
1,225,000		

As at September 30, 2006, the Company had warrants (the "Warrants") outstanding for 4,275,000 common shares, exercisable at prices ranging from $0.40 to $0.45 per share that expire between June 16 and July 27, 2007.

The Company also had 800,000 Agent's compensation options outstanding at September 30, 2006. The Agent's compensation options were issued to the Agent in connection with the Company's initial public offering. Each Agent's compensation option entitles 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.

Subsequent to September 30, 2006, as per the terms of the Virginia Silver Property agreement, the Company issued 100,000 warrants to the Optionor, exercisable at a price of $0.20 per share on or before October 23, 2008.

(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:

	2006		**2005**
Description	**2nd Qtr**	**1st Qtr**	**3rd Qtr**
Expected dividend yield	0.0%	0.0%	0.0%
Risk free interest rate	4.27%	3.97%	3.55%
Expected stock price volatility	50%	77%	75%
Expected life of options	3 years	3 years	3 years
Vesting per quarter	100%	100%	100%
Weighted average fair value	$0.0982	$0.1047	$0.1027

Based on the foregoing, stock-based compensation expenses of $17,836 was recorded for options that vested during the current period (2005 - $107,802).

5. CAPITAL STOCK (cont'd…)

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.

6. INCOME TAXES

Flow-through Expenditures

Under the Canadian *Income Tax Act* a company may issue securities referred to as flow through shares, whereby the investors may claim the tax deductions arising from the qualifying expenditure (Canadian Exploration Expense) of the proceeds by the company. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), thereby reducing share capital. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

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 (see also Note 5). 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 has resulted in a future income tax recovery of $419,400 disclosed on the Statements of Operations and Deficit.

As at September 30, 2006, $1,070,272 of qualified expenditures have been incurred, and the amount of flow-through proceeds remaining to be expended was $129,728.

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Supplementary disclosure of non-cash investing and financing activities:

	Nine months ended Sept. 30,	
	2006	**2005**
Shares issued for mineral property	$ 18,250	$ 30,000
Shares issued to settle indebtedness	-	119,541
Stock-based compensation	17,836	158,880

Incurred mineral property expenditures of $42,588 ($7,006 - 2005) through accounts payable.

8. RELATED PARTY TRANSACTIONS

During the current period, the Company entered into the following related party transactions:

a) paid or accrued companies controlled by Company officers an aggregate of $66,500 ($13,265 in 2005) for geological fees included in general exploration and mineral property expenses, $52,525 ($71,415 in 2005) for management fees.

b) paid a company with a common director an aggregate of $19,183 ($12,852 in 2005) for rent and services.

c) 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.

d) during the same period in 2005, the Company issued 1,117,206 shares at a value of $0.107 per share to repay the sum of $119,541 that had been advanced as a non-interest bearing unsecured demand loan from a company that is a significant shareholder in the Company and that is itself controlled by two of the Company's directors.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment in Canada, being the exploration and development of mineral properties.

10. COMPARATIVE FIGURES

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

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

This Management's Discussion and Analysis ("MD&A"), prepared as of November 6, 2006 (the "Report Date"), reviews the activities of Endurance Gold Corporation ("Endurance", or the "Company") and compares the financial results for the three and nine month periods ended September 30, 2006 with the comparable periods in 2005. 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.

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of Endurance is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in the forward-looking information.

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's exploration efforts during the nine month period ended September 30, 2006 were primarily focused on advancing the BQ Project, located 25 kilometres west of Smithers, in northwest British Columbia, and the Pardo Project located 65 kilometres northeast of Sudbury in Ontario.

Additional small programs were completed on the Eagle Project, the Annie Project, and the Simmie Project, as outlined below.

BQ Project, British Columbia

The Company completed an eight hole, 1,491 metre diamond drilling program on the property in July. Results were received in early September. The drilling program was designed to test for continuation of gold mineralization intersected in an earlier drill hole (BQ-03) which returned 0.776 grams per tonne gold ("gpt Au") over 33.05 metres. Significant results are tabulated below, using a 0.50 gpt Au cut-off.

Hole Number	**From (M)**	**To (M)**	**Width (M)**	**Au Grade (GPT)**
BQ-04	207.90	209.40	1.50	0.72
BQ-05	146.00	147.50	1.50	1.14
	167.60	168.30	0.70	1.38
BQ-06	21.00	21.50	0.50	0.23 and 1.94% Zn
BQ-07	18.00	20.80	2.10	3.47 and 2.64% Zn
	includes		0.60	8.43
	21.95	22.45	1.00	1.31 and 4.18% Zn
BQ-08	43.50	47.50	4.00	3.03
	Includes		1.30	7.21
	53.00	54.50	1.50	1.08
	90.00	91.00	1.00	1.09
	124.90	126.30	1.40	0.60
BQ-09	No significant results			
BQ-10	57.00	62.00	5.00	1.34
	65.00	69.5	4.50	0.92
	75.00	75.50	0.50	1.34
	80.00	81.50	1.50	0.85
	92.85	93.75	0.90	0.51
	103.20	104.20	1.00	1.99
	116.50	116.90	0.40	0.98
	120.20	121.50	1.30	0.85
BQ-11	No significant results			

The gold mineralization intersected in drill holes to date is hosted within a large zone of intense phyllic/argillic (sericite-quartz-carbonate-clay) alteration. Heavy sulphide mineralization is in the form of veins, networks, spots or clots, and includes pyrite, arsenopyrite, pyrrhotite, sphalerite and chalcopyrite over a strike length of 400 metres. Gold occurs associated primarily with arsenopyrite, pyrrhotite and chalcopyrite veins and stringers, as very fine (<10 micron) grained mineralization.

The gold mineralization identified on the BQ Property can best described as sediment-hosted gold mineralization generated where steep faults have intersected receptive, permeable lithologies on the fringes of the intrusion-centered mineral districts. The Smithers district can be viewed as such a district, with a number of porphyry Mo, Cu and Cu-Au deposits, and numerous Ag-bearing base metal vein systems and replacement deposits. At BQ, altered felsic rocks, quartz feldspar porphyry and massive rhyolite, intrude the stratigraphic section and are, at least in part, fault controlled. Significant precious and base metal mineralization may be present confined to fault zones and as irregular shaped replacements in the adjoining rocks.

In October, the Company completed an additional 10 kilometre grid located between 1 and 3 kilometres east of the known mineralization, over which soil geochemistry and geological mapping were completed. Due to the serious back-up at laboratories, analytical results are pending.

Pardo Project, Ontario

The Company completed a 2,500 square metre surface stripping and sampling program on the property, to expose bedrock in areas of strong Induced Polarization ("IP") chargeability anomalies in September.

The Pardo Property covers a basal conglomerate sedimentary horizon of Proterozoic age that rests unconformably on Archean basement rocks. Again, work by previous companies during the period 1996-2000 identified widespread low-grade gold mineralization within the basal conglomerate, located immediately at or adjacent to the unconformity. That work returned individual grab samples to 9.9 gpt Au, and channel samples to 0.966 gpt Au over 12 metres. Gold mineralization is associated with pyritized portions of the basal conglomerate. Subsequent IP surveys defined numerous anomalies over the limited extent of the survey (two kilometre north-south strike length), over which limited trenching confirmed a gold-pyrite association in the conglomerate, with a one metre channel sample assaying 7.03 gpt Au.

The results of the program were positive, returning a significantly mineralized interval of 13 metres grading 3.52 gpt Au in the vicinity of the previously reported one metre interval grading 7.03 gpt Au. The mineralized interval included a one metre interval grading 15.3 gpt Au, demonstrating the potential for ore grades within the basal conglomerate horizon.

Based on results, the Company staked an additional 8 claims totaling 95 units, increasing the property size to 14 claims and 179 units (2,864 hectares).

In July, the Company attempted to drill a single 150 metre diamond drill hole on the property, to provide a continuous sample vertically through the flat lying conglomerate. Difficult overburden conditions prevented the drill from reaching bedrock, and the hole was abandoned.

In October, the Company completed an additional 900 square metres of surface stripping and sampling, in an attempt to expand the mineralization defined during the July program referred to above. A total of 66 one-metre channel samples were collected from the new exposure, and submitted for gold analysis. Assays are pending.

Also in October, the Company completed a new 23 line-kilometre cut grid centering over the mineralization defined above. A magnetics/VLF-EM survey was completed over that grid, in an effort to assist in defining potential sulphide rich zones within the stratigraphy. Results of that work are also pending.

Eagle Project, British Columbia

In late September, the Company completed a short helicopter supported reconnaissance on the Eagle Property, located 80 kilometres south of Whitehorse, on the British Columbia side of the border with the Yukon Territory. The program was designed to locate the source of highly anomalous float boulders located at the toe of a glacier in 1979, which returned assays to as high as 44.5 gpt Au and 14,356 gpt Ag. Since 1979, the glacier has receded a considerable distance, and the purpose of the program was to trace the mineralized float back to bedrock source. No evident source of the mineralized float was located, although several zones of pyrite rich altered granitic intrusive and felsic to intermediate volcanic lithologies were located and sampled. A total of 24 samples were collected during the program, and analytical results are pending.

Virginia Silver and Annie Projects, British Columbia

In August, the Company acquired an option to earn a 100% interest in the Virginia Silver Property, comprised of three claims located 10 kilometres northeast of the Company's BQ Property, in the Smithers area of northwestern British Columbia.

The Virginia Silver property covers a narrow mineralized vein/shear zone hosted in Lower Cretaceous Skeena Group sediments, that was initially discovered in 1966, and aggressively worked by Silver Standard Mines during the period 1968-1969. That work included driving two exploration adits totaling 152 metres, and 22 short diamond drill holes. Based on detailed underground channel sampling, and on the limited diamond drilling, Silver Standard's mining engineer at the time estimated a resource of 30,000 tons grading 25 ounces per ton silver. This resource estimate is not National Instrument 43-101 compliant, but to the best of Endurance's knowledge is relevant and reliable.

The claims are located internal to a large block of ground previously staked by Endurance, known as the Annie Property. On completion of the acquisition, the Company staked an additional 3 claims, bringing the property total, including Virginia Silver, to 10 claims totaling 7,163 hectares.

In October, the Company completed a 12 line-kilometre grid on the property, over which geological mapping and soil sampling were completed. The mapping was designed to re-locate historic workings, in advance of any additional exploration work. The soil sampling program was designed to locate extensions of known mineralization southwest along strike. Samples were sent to ALS Chemex laboratories in Vancouver, and the majority of results are pending. Surface sampling in the vicinity of the historic mill site did return significant results. The composite grade of seven samples of boulders and cobbles collected from the reclaimed area, and probably originally from a small ore stockpile, returned assays of 1.42 gpt Au, 731.9 gpt Ag, 0.80% Zn and 1.46% Pb. Of significance is the presence of substantial gold grades, which had only been sporadically reported from historic workings. On receipt of results and permits, the Company plans to complete a small, five hole, 400 metre diamond drilling program on the property prior to year end.

Simmie Project, Saskatchewan

In July, the Company completed a small sampling program on the Simmie Property.

The claims, located in the eastern block of the Cypress Hills 50 kilometres southwest of Swift Current, cover a large area of sparsely outcropping, poorly consolidated conglomerates and sands of the Miocene/Eocene Cypress Hills Formation. In 1990, a regional geochemical survey by the Saskatchewan Research Council and Cameco Corporation was completed over an area of 64,000 square kilometres in southwest Saskatchewan. The main objective of the survey was to map kimberlite indicator minerals in surficial deposits but, in addition, gold grain counts were completed on all of the samples. This work resulted in the discovery of a highly anomalous gold occurrence in sands of the Cypress Hills Formation, up to 468 grains of detrital gold (against a background of 5-10 grains). The discovery prompted an extensive program of sampling by Consolidated Pine Channel Gold Corp. in 1996-1997, which confirmed widespread distribution of gold in the sandy matrix of the conglomerates on the property, with values to 258 ppb Au. In 2003, the property was briefly optioned to Claude Resources Inc., who excavated two trenches and collected 22 samples, all of which were anomalous, with values to 184 ppb Au.

The Company collected five large samples from the "Discovery Quarry" in order to collect gold grains via heavy media separation. Those grains will then be analyzed using Scanning Electron Microscope and Microprobe techniques, to determine potential genesis of the mineralization. That determination will be useful in planning on-going exploration efforts.

2. Results of Operations

The Company's net income for the nine month period ended September 30, 2006 was $245,062 or $0.01 per common share, compared to a net loss of $336,108 or $0.03 per common share for the same period in 2005. The net income in the current period 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 notes 5 and 6 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 September 30, 2006

General and administrative expenses before other items for the three months ended September 30, 2006, totaled $37,814 (2005 - $118,417), $80,603 less than comparable expenses incurred in the same quarter of last year.

Management fees expenses totaled $15,215 (2005 - $30,476), a decrease of $15,261. In the current quarter, an additional $22,000 (2005 - $12,333) in management fees was capitalized to mineral properties. Office and administrative expenses totaled $12,198 (2005 - $16,713), which amount included insurance expenses of $6,106 (2005 - $nil) and rent expenses of $5,191 (2005 - $6,254). Professional fees decreased by $24,078 to $3,587 (2005 - $27,665), listing and transfer agent fees decreased by $26,167 to $2,650 (2005 - $28,817). The decreases were largely due to the fact that during the same quarter in 2005, the Company incurred expenses primarily in costs and services associated with the closing of its Initial Public Offering (“IPO”).

During the current quarter, the Company accrued an amount of $2,221 (2005 - $nil) in tax payable due to the penalty on unspent flow-through funds raised in August 2005.

Nine months ended September 30, 2006

General and administrative expenses, excluding stock-based compensation expense and before other items for the nine month period ended September 30, 2006, totaled $161,146 (2005 - $229,441), $68,295 lower than the comparable expenses incurred in the same period of 2005.

Management fees totaled $51,615 (2005 - $72,750), a decrease of $21,135. In the current period, an additional $66,500 (2005 - $13,265) in management fees was capitalized to mineral properties. Office and administrative expenses totaled $48,270 (2005 - $51,067), which amount included insurance expenses of $22,219 (2005 - $3,643) and rent expenses of $19,183 (2005 - $14,204). Professional fees decreased by $32,351 in 2006 to $20,244 (2005 - $52,595), listing and transfer agent fees decreased by $13,570 to $16,248 (2005 - $29,818). As with the three months ended September 30, 2006, the decrease was largely due to the fact that in 2005 the Company incurred expenses for services associated with the preparation and closing of its IPO. Corporate communications expenses of $13,063 (2005 - $9,639) increased when compared to the same period last year. The increase in expenses reflects the higher level of activity in the current period.

During the current period, the Company accrued an amount of $13,173 (2005 - $nil) in tax payable due to the penalty on unspent flow-through funds raised in August 2005. Stock-based compensation expense of $17,836 (2005 - $107,802) was incurred as a result of the vesting of 175,000 stock options (2005 – 1,050,000).

3. Summary of Quarterly Results

Quarter Ended:	**Sep. 30**	**June 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**	**June 30**	**Mar. 31**	**Dec. 31**
Year:	**2006**	**2006**	**2006**	**2005**	**2005**	**2005**	**2005**	**2004**
Net sales or total revenue ($000s)	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$(35)	$(64)	$344	$(99)	$(117)	$(78)	$(141)	$(40)
(ii) per share(1)	$(0.00)	$(0.00)	$0.02	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)
Net income or loss:								
(i) in total (000s)	$(35)	$(64)	$344	$(99)	$(117)	$(78)	$(141)	$(40)
(ii) per share(1)	$(0.00)	$(0.00)	$0.22	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(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.

- In most quarters prior to September 30, 2005, the reported losses were primarily the result of costs incurred in maintaining the Company’s corporate existence, pending the closing of its IPO in August 2005.

- The increase in loss in the first quarter of 2005 was largely due to the granting of 1,050,000 stock options, which resulted in stock-based compensation expense of $107,802 in that quarter.
- The net income reported in the first quarter of 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.

4. Liquidity and Capital Resources

Endurance finances its activities primarily by the private placement of securities. There is no assurance that equity funding will be accessible to Endurance at the times and in the amounts required to fund the Company's activities, as there are many conditions that are beyond the ability of Endurance to control that will have a bearing on the level of investor interest in purchasing the Company's 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, 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 $496,572 at September 30, 2006 ($948,693 at December 31, 2005).

The Company had working capital of $471,596 at September 30, 2006, as compared to working capital of $984,051 at December 31, 2005.

Investing Activities

During the current nine month period, the Company's cash flow used for investing activities was $5,000 (2005 - $nil) for reclamation bonds, $380 (2005 - $nil) for purchase of equipment, and $608,998 (2005 - $269,318) on mineral properties, all of which represented acquisition and exploration costs that were capitalized.

Financing Activities

During the current nine month period, 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.

During the comparable period in 2005, the Company received $1,678,270 from the IPO, net of issuing costs. In the same period, the Company also received $163,275 from the sale of common shares in private placements that were completed in 2004. In addition, the Company issued 1,117,200 shares to settle debt in the amount of $119,541 which represented a sum that had been advanced from a company that is a significant shareholder of the Company and that is itself controlled by two of the Company's directors.

Outstanding share data as at the Report Date

On the Report Date, Endurance had 17,995,086 common shares outstanding or 25,195,086 shares on a fully diluted basis as follows:

	No. of Shares	Exercise Price	Expiry Date
Employee Stock Options	1,225,000	$0.20 - $0.26	Aug. 4, 2008 to Apr. 25, 2009
Warrants	4,375,000	$0.20 - $0.45	June 16, 2007 to October 23, 2008
Agent's Options	800,000	$0.25	July 27, 2007
Agent's Warrants	800,000	$0.45	July 27, 2007

5. Transactions with related parties

During the nine months ended September 30, 2006, the Company:

(a) paid or accrued an aggregate amount of $90,000 (2005 - $59,555) to McIvor Geological Consulting, a company controlled by Duncan McIvor, the Company's President and a director, for management and geological consulting services.

(b) paid or accrued an aggregate amount of $nil (2005 - $25,125) to Adera Company Management Inc., a company controlled by J. C. Mitchell, a director, for management and administrative services.

(c) paid or accrued an aggregate amount of $29,025 (2005 - $nil) to Teresa Cheng, the Company's CFO, for management and administrative services.

(d) paid or accrued an aggregate amount of $19,183 (2005 - $12,852) to First Point Minerals Corp., company with a common director, for rent and services.

(e) The Company did not issue any shares for debt during the current period, but issued 1,117,206 shares in the comparable period of 2005 at a value of $0.107 per share to repay the sum of $119,541 that had been advanced as a non-interest bearing unsecured demand loan from a company that is a significant shareholder in the Company and that is itself controlled by two of the Company's director.

(f) 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 in June. 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 transactions were in the normal course of operations and were measured at the exchange amount, which was the amount of consideration established and agreed to with the 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. 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 its BQ, Eagle Gold and Virginia Silver properties in British Columbia, Pardo and Minnitaki properties in Ontario and Simmie property in Saskatchewan.

While the exploration business is very competitive, the Company will actively seek to acquire new, highly prospective land positions, either by staking, purchase or optioning, or by negotiating joint venture arrangements. It is anticipated that the Company's property portfolio will evolve over the next 12 months as new lands are acquired and properties that fail to meet the Company's criteria are abandoned or farmed-out.