



March 4, 2008

VIA SEDAR

NOTICE TO READER

The attached financial statements have been prepared by Management of Desert Gold Ventures Inc. and have not been reviewed by the auditor of Desert Gold Ventures Inc.

Yours truly,

DESERT GOLD VENTURES INC.

"Debra Watkins"

Debra Watkins
Corporate Secretary



***Interim Financial Statements
for the Six Months Ended
January 31, 2008***
(Unaudited)

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DESERT GOLD VENTURES INC.
CONSOLIDATED BALANCE SHEETS

January 31, 2008 and July 31, 2007

Unaudited - Prepared by Management

	Jan 31	Jul 31
	2008	2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 387,545	\$ 86,705
Term deposit	-	545,523
Goods and services tax recoverable	534	464
Prepaid expenses and deposits	27,441	37,283
	<u>415,520</u>	<u>669,975</u>
Equipment (Note 3)	10,004	3,352
Resource property interests (Note 4)	2,658,388	2,436,352
	<u>\$ 3,083,911</u>	<u>\$ 3,109,679</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	<u>\$ 8,797</u>	<u>\$ 33,214</u>
SHAREHOLDER'S EQUITY		
Share Capital (Note 5)	4,427,610	4,365,110
Contributed surplus (Note 6)	2,246,822	2,077,699
Deficit	<u>(3,599,317)</u>	<u>(3,366,344)</u>
	<u>3,075,114</u>	<u>3,076,465</u>
	<u>\$ 3,083,911</u>	<u>\$ 3,109,679</u>

"Eugene Beukman"
Eugene Beukman, Director

"Gordon Keevil"
Gordon Keevil, Director

DESERT GOLD VENTURES INC.
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
For The Periods Ended January 31, 2008 and 2007
Unaudited - Prepared by Management

	For the Three Months Ended		For the Six Months Ended	
	Jan 31 2008	Jan 31 2007	Jan 31 2008	Jan 31 2008
ADMINISTRATIVE EXPENSES				
Amortization	921	\$ 359	\$ 1,934	718
Audit and accounting	10,000	11,500	20,325	19,485
Consulting - fees	1,000	717	1,000	2,467
- stock-based compensation	85,098	38,959	169,122	66,644
Legal fees	593	2,640	593	2,640
Listing and share transfer fees	5,413	7,360	6,409	14,084
Management fees	4,500	3,000	8,500	6,000
Office and miscellaneous	11,369	2,834	13,387	4,361
Rent	5,130	3,450	10,260	6,900
Travel and promotion	4,051	1,420	5,395	2,042
	<u>128,075</u>	<u>72,239</u>	<u>236,925</u>	<u>125,341</u>
LOSS BEFORE OTHER ITEMS	(128,075)	(72,239)	(236,925)	(125,341)
OTHER INCOME (LOSS)				
Interest income	2,325	9,457	8,157	9,595
Foreign exchange	1,894	-	(3,084)	-
Loss on disposal of equipment	(1,122)	-	(1,122)	-
	<u>3,098</u>	<u>9,457</u>	<u>3,952</u>	<u>9,595</u>
LOSS FOR THE PERIOD	\$ (124,977)	\$ (62,782)	\$ (232,973)	\$ (115,746)
DEFICIT, beginning of period				
	(3,474,340)	\$ (3,183,105)	\$ (3,366,344)	(3,130,141)
DEFICIT, end of period				
	\$ (3,599,317)	\$ (3,245,887)	\$ (3,599,317)	\$ (3,245,887)
BASIC LOSS PER COMMON SHARE				
	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)

DESERT GOLD VENTURES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Periods Ended January 31, 2008 and 2007
Unaudited - Prepared by Management

	For the Three Months Ended		For the Six Months Ended	
	Jan 31 2008	Jan 31 2007	Jan 31 2008	Jan 31 2008
OPERATING ACTIVITIES				
Net loss	(124,977)	\$ (62,782)	\$ (232,973)	\$ (115,746)
Amortization	921	359	1,934	718
Loss on disposal of equipment	1,122	-	1,122	-
Stock-based compensation	85,098	38,959	169,122	66,644
	<u>(37,836)</u>	<u>(23,464)</u>	<u>(60,795)</u>	<u>(48,384)</u>
Net changes in other operating accounts				
Accrued interest on term deposits	4,744	(9,375)	-	(9,375)
Goods and services tax recoverable	3,059	1,129	(70)	(221)
Prepaid expenses and deposits	7,708	(1,593)	9,843	(5,369)
Accounts payable and accrued liabilities	7,381	(16,347)	(24,417)	(46,810)
	<u>(14,945)</u>	<u>(49,650)</u>	<u>(75,440)</u>	<u>(110,159)</u>
FINANCING ACTIVITIES				
Issue of shares	7,500	-	7,500	899,640
	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>899,640</u>
INVESTING ACTIVITIES				
Term deposit	346,599	-	545,523	(450,000)
Acquisition costs of equipment	-	(10,898)	(9,708)	(10,898)
Deferred exploration costs	(34,351)	(75,651)	(167,036)	(244,765)
	<u>312,248</u>	<u>(86,549)</u>	<u>368,779</u>	<u>(705,663)</u>
INCREASE (DECREASE) IN CASH	304,803	(136,199)	300,840	83,818
CASH, beginning of the period	82,742	390,637	86,705	170,620
CASH, end of period	\$ 387,545	\$ 254,438	\$ 387,545	\$ 254,438

DESERT GOLD VENTURES INC.
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION COSTS

January 31, 2008 and July 31, 2007

Unaudited - Prepared by Management

	Jan 31	Jul 31
	2008	2007
EXPLORATION AND DEVELOPMENT COSTS:		
Analysis	\$ 9,532	\$ 50,042
Consultants	5,043	16,229
Drilling	-	122,320
Equipment and supplies	74	4,096
Geologist	29,572	172,578
Labour	-	420
Maps	1,707	9,650
Office	1,844	17,244
Reclamation bond	3,669	10,414
Renewal and restaking fees	105,896	104,401
Transportation	1,789	18,203
Travel and accommodation	7,911	36,654
	<hr/>	<hr/>
	167,036	562,251
Balance of costs, beginning of year	<hr/>	<hr/>
	2,171,584	1,609,333
Balance of costs, end of period	\$ 2,338,620	\$ 2,171,584

DESERT GOLD VENTURES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Periods Ended January 31, 2008 and 2007
Unaudited - Prepared by Management

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Desert Gold Ventures Inc. (the "Company") is a development stage company and is primarily engaged in the acquisition, exploration and development of mineral resource properties.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

2. ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's accounting policies are described in Note 2 to the audited financial statements for the year ended July 31, 2007. The Company's accounting policies are consistent with the year end except that the Company has adopted the following CICA guidelines effective for the Company's first quarter commencing August 1, 2007:

a. Section 3855 - Financial Instruments - Recognition and Measurement

Section 3855 requires the Company to account for certain financial assets and liabilities at fair value at each balance sheet date. Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Financial instruments include cash, accounts receivable and accounts payable which are designated as loans and receivables and other financial liabilities. The adoption of this section does not impact the opening equity and loss of the Company as the fair values of arms-length financial instruments approximate their carrying value due to their short-term maturity.

b. Section 1530 - Comprehensive Income

Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses which GAAP requires to be recognized in a period, but excluded from net income for that period.

3. EQUIPMENT

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Computer equipment	\$ 10,727	\$ 4,127	\$ 6,600	\$ 4,070
Software	4,538	1,135	3,404	-
	<u>\$ 15,265</u>	<u>\$ 5,261</u>	<u>\$ 10,004</u>	<u>\$ 4,070</u>

DESERT GOLD VENTURES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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4. RESOURCE PROPERTY INTERESTS

	Acquisition Costs	Deferred Exploration & Development Costs	2007 Total	2006 Total
Goldbanks	\$ 319,768	\$ 2,338,620	\$ 2,658,388	\$ 2,101,376

On December 10, 2007, the Company amended the Goldbanks property agreement. The date by which the \$3,000,000 US exploration expenditures are to be completed has been extended from December 31, 2007 to December 31, 2008. In consideration of the granting of the extensions, the Company issued 100,000 common shares at a value of \$55,000. All other terms of the agreement remain unchanged.

5. SHARE CAPITAL

a) Authorized

Unlimited Common shares without par value
1,250,000 Preferred shares issuable in series with rights and restrictions to be determined by the directors prior to any issuances.

b) Issued and fully paid

	2007		2006	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Common shares				
Balance, beginning of period	13,441,067	4,365,110	11,841,917	3,367,980
Issued for cash:				
Warrants	25,000	7,500	-	-
Private placement	-	-	1,470,000	999,600
	<u>25,000</u>	<u>7,500</u>	<u>1,470,000</u>	<u>999,600</u>
Issued for property	100,000	55,000	100,000	80,000
Less: Issue costs	-	-	-	(99,960)
Balance at End of Period	<u>13,566,067</u>	<u>4,427,610</u>	<u>13,411,917</u>	<u>4,347,620</u>

6. CONTRIBUTED SURPLUS

	2007 \$	2006 \$
Balance at Beginning of Period	2,077,699	1,945,428
Stock-based compensation (i)	<u>169,122</u>	<u>66,644</u>
Balance at End of Period	<u>2,246,822</u>	<u>2,012,072</u>

DESERT GOLD VENTURES INC.
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6. CONTRIBUTED SURPLUS (Cont'd)

(i) Stock-based compensation

During the current and prior period, stock-based compensation has been recorded in the amount of \$169,122 (2006 - \$66,644) and included in contributed surplus. The amount is management's estimate of the fair value of the stock options granted and vested in the period, and has been expensed in the statement of operations as consulting services.

The above fair value amounts were calculated using the Black Scholes option pricing model using the following current assumptions:

	<u>2007</u>	<u>2006</u>
Risk free interest rate	4 to 4.41%	4.15 to 4.16%
Expected life	2 to 5 years	0.5 to 5 years
Expected volatility	92 to 104%	61 to 100%
Dividend yield	0.00%	0.00%

7. RELATED PARTY TRANSACTIONS

The following table summarizes services provided by directors and or companies with directors in common:

	<u>2007</u>	<u>2006</u>
	<u>\$</u>	<u>\$</u>
Administration and accounting	17,500	17,500
Consulting	1,000	
Management fees	8,500	6,000
Rent	10,260	-
	<u>37,260</u>	<u>23,500</u>



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Form 51-102F1
Management's Discussion and Analysis
Containing Information up to and including February 21, 2008

General

Management's discussion and analysis ("**MD&A**") has been prepared based on information available to Desert Gold Ventures Inc. ("**Desert Gold**" or the "**Company**") as of **February 21, 2008**. MD&A provides a detailed analysis of the company's business and compares its results with those of the previous year and should be read in conjunction with the Company's consolidated financial statements for the period ended January 31, 2008 and the audited consolidated financial statements for the year ended July 31, 2007. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**Canadian GAAP**").

The Company is a development stage company focused on the exploration and development of resource properties. The Company is exploring its Goldbanks property in which the Company has an option to acquire a 50% interest.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record, and the experience of management.

Forward Looking Information

Certain statements contained in the MD&A constitute forward looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made.

Overall Performance

During the six month period ended January 31, 2008 (the "**Period**"), the Company spent \$167,036 in exploration on its Goldbanks property. Exploration activities consisted of geological studies.

In December 2007, the Company negotiated an extension on the deadline to incur \$3 million US in exploration expenditures from December 31, 2007 to December 31, 2008. The Company must now complete the \$5 million US in exploration expenditures by December 31, 2008 to earn a 50% interest in the Goldbanks property. The Company has incurred \$2.14 million US to date.

Exploration Update

Desert Gold has an option agreement to acquire a 50% interest in the Goldbanks property located in Nevada, U.S.A.

Phase two of the program, which was carried out in April/May 2007, consisted of a reverse circulation drilling to test one of the new target areas that had been outlined by a large gold and trace metal anomaly that had been defined by both soil and rock sampling. The target is located approximately 4500 feet west of the KW Zone, the most northern of the Goldbanks deposits and is thought to be the northern near surface extension of the Goldbanks gold system. Analytical results are awaited.

The Plan of Operation has been filed and approved by the Bureau of Land Management in Winnemucca. Our Environmental Impact study is currently taking place. Once completed, we will receive the final approval to proceed with exploration.

In the meantime Kinross, our JV Partner, has agreed to transfer its Plan of Operation to Desert Gold and we will, after payment of the bond, be able to commence exploration. Tenders for drill contractors have been sent out.

Results of Operations

2008 compared with 2007

The Company reported net loss of \$232,973 (\$0.02 per share) for the period ended January 31, 2008 as compared to net loss of \$115,746 (\$0.01 per share) for the period ended January 31, 2007. Significant changes between the 2008 and 2007 income and expense amounts that comprised net loss are discussed below.

Administrative expenses for the 2008 period totalled \$236,925 and were \$111,584 higher than the 2007 expenses of \$125,341. The Company's stock-based compensation expense was \$169,122 for the 2008 period compared to \$66,644 in 2007. The expense relates to the 377,565 options vested during the 2008 period compared to 191,837 in 2006. Other administrative costs fluctuated with the level of corporate activity.

Summary of Quarterly Results

The summary of quarterly results has been prepared in accordance with Canadian GAAP.

	Revenue	Income (Loss)	Income (Loss) per share	Stock-based Compensation	Deferred Exploration
	\$	\$	\$	\$	\$
January 31, 2008	Nil	(124,977)	(0.01)	85,098	34,351
October 31, 2007	Nil	(107,996)	(0.01)	84,024	132,685
July 31, 2007	Nil	(68,754)	(0.005)	29,226	154,931
April 30, 2007	Nil	(51,703)	(0.004)	36,401	162,555
January 31, 2007	Nil	(62,782)	(0.005)	38,959	75,651
October 31, 2006	Nil	(52,964)	(0.004)	27,685	169,114
July 31, 2006	Nil	(231,197)	(0.044)	152,980	103,151
April 30, 2006	Nil	(45,363)	(0.004)	Nil	26,691

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration, the level of corporate activity, and the ability of the Company to raise capital for its projects.

Impairment of resource property interests was recorded in the quarter ending July 31, 2006 in the amount of \$50,000 as the Company wrote off the Pauls Syfer 437 property.

Liquidity

Financing of operations is achieved primarily by issuing share capital. At January 31, 2008, the Company had \$387,545 in cash and working capital of \$406,723.

During the period ended January 31, 2008 expenditures for operating activities were \$75,440 compared to \$110,159 in 2007.

Desert Gold's investing activities revolve around developing its mineral properties. The Company spent \$167,036 in exploration costs during the period ended January 31, 2008 compared to \$244,765 in 2007. The expenditures were incurred on the Company's Goldbanks property in Nevada.

Financing activities generated a cash flow of \$7,500 during the period ended January 31, 2008 which resulted from the exercise of 25,000 warrants.

The Company will need additional financing to complete its exploration commitments.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets are resource properties. The Company capitalizes all costs related to the resource properties until the project is put into commercial production, sold, abandoned, or when delays in the development process require a revaluation.

The Company has an option agreement for the Goldbanks property in Nevada. To maintain its interest in the property the Company must meet exploration expenditures as per the option agreement. The Company must spend \$5 million US in exploration on the Goldbanks property by December 2008 to earn its interest. \$2.14 million US has been spent on exploration to date.

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

At the date of writing, the Company has a total of 7,645,000 warrants outstanding. 6,175,000 of these warrants have a \$0.30 exercise price and expire on March 24, 2008 which, if exercised, would increase the Company's available cash by approximately \$1.85 million.

Transactions with Related Parties

Pursuant to a Management Agreement with the Company, management fees, accounting and administrative services totalling \$4,000 are paid monthly to Pender Street Corporate Consulting Ltd., a private company owned by Eugene Beukman (the President and a director of the Company). During the period, the Company paid \$26,000 in fees and \$10,260 for rent.

In addition, the Company paid \$1,000 for consulting fees to Beukman & Associates Enterprises Limited (a private company owned by Eugene Beukman).

Proposed Transactions

There are no transactions that will materially affect the performance of the Company.

Critical Accounting Estimates

The Company's accounting policies are described in Note 2 to the audited consolidated financial statements for the year ended July 31, 2007. Management considers the following policies to be the most critical in understanding the judgments and estimates that are involved in the preparation of its consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, and useful lives for depreciation and amortization. Financial results as determined by actual events could differ from those estimates.

Accounting for Stock Options

The fair value of stock options used to calculate compensation expense has been estimated using the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility of the Company's shares. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

Changes in Accounting Policies including Initial Adoption

Effective the first quarter commencing August 1, 2007, the Company has adopted the guidelines governed by Sections 1530 and 3855 of the CICA Handbook, "Comprehensive Income" and "Financial Instruments – Recognition and Measurement". These policies are outlined in Note 2 in the financial statements for the period ended January 31, 2008.

The CICA, with its new policies, is looking to account for changes in asset values that typically have not been reflected in historical financial statements. Assets re-valued under this policy are typically liquid assets such as investments. There has been no change in accounting for long-term or capital assets. This policy change brings Canadian GAAP in line with international accounting standards.

The adoption of these sections does not impact the opening equity and loss of the Company as the fair values of arms-length financial instruments approximate their carrying value due to their short-term maturity.

Share Data

The authorized capital of the Company consists of an unlimited number of common shares and 1,250,000 Preferred Shares. As of the date of this report, there are 13,570,743 common shares and no Preferred Shares issued and outstanding. There are 47,266 common shares held in escrow.

Pursuant to the Company's Stock Option Plan, the Company may issue up to 2,662,383 incentive stock options to purchase common shares of the Company. Currently, 1,712,213 options to purchase common shares at \$1.00 per share are in reserve.

The following table sets out all the outstanding share purchase warrants (total of 7,645,000) in Desert Gold:

Number of Desert Gold Warrants to Purchase Common Shares	Exercise Price	Expiry Date
6,175,000	\$0.30	March 24, 2008
1,470,000	\$0.84	October 17, 2008

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests the Company has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

The Company's functional currency is the Canadian dollar. All current exploration occurs within the United States. The Company is subject to foreign exchange risk relating to these transactions.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.desertgold.ca. You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.