



December 10, 2007

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 Three Months Ended
October 31, 2007***
(Unaudited)

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DESERT GOLD VENTURES INC.
CONSOLIDATED BALANCE SHEETS

October 31, 2007 and July 31, 2007

Unaudited - Prepared by Management

	Oct 31	Jul 31
	2007	2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 82,742	\$ 86,705
Term deposit	351,343	545,523
Goods and services tax recoverable	3,593	464
Prepaid expenses	35,148	37,283
	<u>472,826</u>	<u>669,975</u>
Equipment	12,047	3,352
Resource property interests (Note 4)	2,569,036	2,436,352
	<u>\$ 3,053,910</u>	<u>\$ 3,109,679</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	<u>\$ 1,416</u>	<u>\$ 33,214</u>
SHAREHOLDER'S EQUITY		
Share Capital (Note 5)	4,365,110	4,365,110
Contributed surplus (Note 6)	2,161,724	2,077,699
Deficit	<u>(3,474,340)</u>	<u>(3,366,344)</u>
	<u>3,052,493</u>	<u>3,076,465</u>
	<u>\$ 3,053,910</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 Period Ended October 31, 2007 and 2006
Unaudited - Prepared by Management

	3 Months Ended Oct 31 2007	3 Months Ended Oct 31 2006
ADMINISTRATIVE EXPENSES		
Amortization	\$ 1,013	\$ 359
Audit and accounting	10,325	7,985
Consulting - fees	-	1,750
- stock-based compensation	84,024	27,685
Listing and share transfer fees	996	6,724
Management fees	4,000	3,000
Office and miscellaneous	2,018	1,527
Rent	5,130	3,450
Travel and promotion	1,344	622
	<u>108,850</u>	<u>53,102</u>
LOSS BEFORE OTHER ITEMS	(108,850)	(53,102)
OTHER INCOME (LOSS)		
Interest income	5,832	138
Foreign exchange	(4,978)	-
	<u>853</u>	<u>138</u>
LOSS FOR THE PERIOD	\$ (107,996)	\$ (52,964)
DEFICIT, beginning of period	\$ (3,366,344)	\$ (3,130,141)
DEFICIT, end of period	\$ (3,474,340)	\$ (3,183,105)
BASIC LOSS PER COMMON SHARE	\$ (0.01)	\$ (0.00)

DESERT GOLD VENTURES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Period Ended October 31, 2007 and 2006
Unaudited - Prepared by Management

	3 Months Ended Oct 31 2007	3 Months Ended Oct 31 2006
OPERATING ACTIVITIES		
Net loss	\$ (107,996)	\$ (52,964)
Amortization	1,013	359
Stock-based compensation	84,024	27,685
	<u>(22,959)</u>	<u>(24,920)</u>
Net changes in other operating accounts		
Accrued interest on term deposits	(4,744)	-
Goods and services tax recoverable	(3,129)	(1,350)
Prepaid expenses	2,135	(3,776)
Accounts payable and accrued liabilities	(31,798)	(30,463)
	<u>(60,495)</u>	<u>(60,509)</u>
FINANCING ACTIVITIES		
Issue of shares	-	899,640
	<u>-</u>	<u>899,640</u>
INVESTING ACTIVITIES		
Term deposit	198,924	(450,000)
Acquisition costs of equipment	(9,708)	-
Deferred exploration costs	(132,685)	(169,114)
	<u>56,532</u>	<u>(619,114)</u>
INCREASE (DECREASE) IN CASH	(3,963)	220,017
CASH, beginning of the period	86,705	170,620
CASH, end of period	\$ 82,742	\$ 390,637

DESERT GOLD VENTURES INC.
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION COSTS
October 31, 2007 and July 31, 2007
Unaudited - Prepared by Management

	Oct 31	Jul 31
	2007	2007
EXPLORATION AND DEVELOPMENT COSTS:		
Analysis	\$ 7,973	\$ 50,042
Consultants	4,423	16,229
Drilling	-	122,320
Equipment and supplies	-	4,096
Geologist	8,561	172,578
Labour	-	420
Maps	264	9,650
Office	472	17,244
Reclamation bond	-	10,414
Renewal and restaking fees	105,896	104,401
Transportation	554	18,203
Travel and accommodation	4,541	36,654
	<u>132,685</u>	<u>562,251</u>
Balance of costs, beginning of year	<u>2,171,584</u>	<u>1,609,333</u>
Balance of costs, end of period	\$ 2,304,269	\$ 2,171,584

DESERT GOLD VENTURES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Period Ended October 31, 2007 and 2006
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 assets and liabilities, other than assets and instruments held to maturity, must be measured at fair value. Each financial asset or liability will be accounted for either as held for trading, cost or available for sale. Changes in fair value for an instrument designated as held for trading will be recognized in net income. Changes in value for other assets or liabilities will be recognized in other comprehensive income.

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. Comprehensive income 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.

The adoption of Sections 1530 and 3855 does not impact the opening equity and losses of the Company since the Company does not have any of the financial assets or liabilities requiring fair value measurement.

3. EQUIPMENT

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Computer equipment	\$ 13,638	\$ 5,562	\$ 8,076	\$ 4,430
Software	4,538	567	3,971	-
	<u>\$ 18,177</u>	<u>\$ 6,130</u>	<u>\$ 12,047</u>	<u>\$ 4,430</u>

4. RESOURCE PROPERTY INTERESTS

	Acquisition Costs	Deferred Exploration & Development Costs	2007 Total	2006 Total
Goldbanks (i)	264,768	2,304,269	2,569,036	1,934,827
	<u>\$ 301,121</u>	<u>\$ 2,316,528</u>	<u>\$ 2,569,036</u>	<u>\$ 1,934,827</u>

DESERT GOLD VENTURES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Period Ended October 31, 2007 and 2006
Unaudited - Prepared by Management

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:				
Private placement	-	-	1,470,000	999,600
	<u>-</u>	<u>-</u>	<u>1,470,000</u>	<u>999,600</u>
Less: Issue costs	-	-	-	(99,960)
Balance at End of Period	<u>13,441,067</u>	<u>4,365,110</u>	<u>13,311,917</u>	<u>4,267,620</u>

6. CONTRIBUTED SURPLUS

	2007 \$	2006 \$
Balance at Beginning of Period	2,077,699	1,945,428
Stock-based compensation (i)	84,024	27,685
Balance at End of Period	<u>2,161,724</u>	<u>1,973,113</u>

(i) Stock-based compensation

During the current and prior period, stock-based compensation has been recorded in the amount of \$84,024 (2006 - \$27,685) 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:

	2007	2006
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%	92 to 104%
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:

	2007 \$	2006 \$
Administration and accounting	7,500	7,500
Management fees	4,000	3,000
Rent	5,130	-
	<u>16,630</u>	<u>10,500</u>



***Management's
Discussion &
Analysis***

***For the Period Ended
October 31, 2007***

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Management's Discussion and Analysis

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 **November 16, 2007**. 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 October 31, 2007 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.

Critical Accounting Policies

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.

Resource Property Interests

The Company's current business activity focus is on the exploration and development of precious metal properties. The cost of acquiring, exploring, and developing mineral properties is capitalized. In the event that the Company elects to proceed with the development of a project, capitalized acquisition, exploration and development expenditures will be amortized against future production upon commencement of commercial production, or written off if the properties are sold or abandoned.

Overall Performance

During the three month period ended October 31, 2007 (the "Period"), the Company spent \$132,685 in exploration on its Goldbanks property. Exploration activities consisted of geological studies.

Results of Operations

2007 compared with 2006

The Company reported net loss of \$107,996 (\$0.01 per share) for the period ended October 31, 2007 as compared to net loss of \$52,964 (\$0.00 per share) for the period ended October 31, 2006. Significant changes between the 2007 and 2006 income and expense amounts that comprised net loss are discussed below.

Administrative expenses for the period ended October 31, 2007 totalled \$108,850 and were \$55,748 higher than 2006 expenses of \$53,102. The Company recorded stock-based compensation in the amount of \$84,024 (2006 - \$27,685) during the period. 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	Deferred Exploration
	\$	\$	\$	\$
October 31, 2007	Nil	(107,996)	(0.01)	132,685
July 31, 2007	Nil	(68,754)	(0.005)	154,931
April 30, 2007	Nil	(51,703)	(0.004)	162,555
January 31, 2007	Nil	(62,782)	(0.005)	75,651
October 31, 2006	Nil	(52,964)	(0.004)	169,114
July 31, 2006	Nil	(231,197)	(0.044)	103,151
April 30, 2006	Nil	(45,363)	(0.004)	26,691
January 31, 2006	Nil	(53,409)	(0.001)	56,026

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.

The Company recorded stock-based compensation in the quarters ending October 31, 2007, July 31, 2007, April 30, 2007, January 31, 2007, October 31, 2006, and July 31, 2006 in the amounts of \$84,024, \$29,226, \$36,401, \$38,959, \$27,685, and \$152,980 respectively.

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.

Resource Properties

Deferred exploration and development costs for the period ended October 31, 2007 totalled \$132,685. The Company will continue to focus its efforts on the Goldbanks property in Nevada.

Goldbanks – Nevada

The Company has an option agreement, dated March 15, 2004 and amended November 15, 2006, with Kinross Goldbanks Mining Company ("Kinross") to acquire a 50% interest in 501 claims in Pershing County, Nevada U.S.A. To acquire the option, the Company has made an initial payment of \$50,000 U.S. and must spend \$5 million U.S. in exploration by December 2008, of which \$3 million U.S. must be spent by December 2007. Approximately \$2.1 million U.S. has been incurred as of October 31, 2007.

In addition, the Company will issue share consideration within 60 days of each anniversary, one share for each \$25 of exploration expenditure incurred during that year. The Company has issued 80,000 common shares to date in accordance with the terms of the agreement. A further 100,000 shares were issued in consideration of the granting of the extension of the \$750,000 US exploration commitment from December 31, 2006 to June 30, 2007.

The Company has staked an additional 243 mining claims to bring the property total to 744.

Exploration Update

The Goldbanks Deposit is a large, concealed, high-level epithermal system, 1,000 x 5,000 feet in plan view, with associated high-grade feeder veins, which represent the conduits for the lower grade gold mineralization. The geological setting is similar to the Ivanhoe and Silver Cloud Districts, Nevada and the McLaughlin deposit, California. The deposit is located in a Tertiary-aged graben and consists of low-sulfidation gold and silver mineralized basal clastics and heterolithic breccia overlain by unmineralized mudstone, opalite, Tertiary alluvium and basalt flows. The Tertiary rocks lie unconformably on Paleozoic basement rocks where the high-grade feeder veins will be explored within 100 feet of the contact and within the basement sequence of rocks.

In the fall of 2005 the Company focused exploration in this highly prospective area by completing geological mapping, prospecting, soil and rock geochemical sampling which expands on the previous soil sampled area that Kinross surveyed. The program was stopped in late 2005 when field conditions deteriorated but this program has recently been started as the 2006 First Phase of Exploration

During 2006, the Company completed a comprehensive surface exploration program on the Goldbanks Property. The 2006 exploration program was designed to identify new areas of near surface gold mineralization and expand on the known inferred oxide and sulphide gold resource of 556,700 ounces of gold with 90% as oxide mineralization (refer to the Company's news release dated March 28, 2006).

Soil and rock geochemical sampling has identified two large surface gold anomalies, the North and the KW West anomalies. The North soil anomaly defines an area containing >30 ppb Au over an area greater than 3000' long (NNE-SSW) by up to 1400' wide with many individual soil samples of >75 ppb Au (up to 158 ppb Au). Rock geochemical sampling within the anomaly confirmed these highly anomalous gold values with numerous samples containing >1 ppm Au and two samples >9 ppm Au (high of 10.55 ppm Au or 0.31oz/ton). The anomaly has yet to be completely defined. The KW West anomaly is an extension of a known soil anomaly (>30 ppb Au) and together they cover an area of ~1400' x ~2000'. The KW West anomaly also contains highly anomalous gold in soils of up to 318 ppb and many samples containing greater than 75 ppb Au and numerous rock samples containing >1 ppm Au up to 3.4 ppm Au. ALS Chemex Ltd. of Vancouver analyzed the samples.

The surface exploration program consisted of detailed geological mapping and geochemical soil and rock sampling, data compilation, and evaluation. The goal was to define near-surface drill targets based on detailed geological mapping and soil and rock geochemistry having the potential to host near surface lower grade gold mineralization amenable to open pit development and associated high-grade "feeder-type" gold mineralization. Some of these targets may be extensions of known zones while others are new targets based on developing an improved understanding of the geological and structural control of the mineralization.

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.

Additional drilling is planned in the North soil anomaly once permitting has been completed. There are also several areas in the Squaw Butte, Cube and KW Zones that will be drilled at depth to evaluate the higher grade feeder system identified by previous drilling once a detailed compilation of this drilling has been completed.

Liquidity

Financing of operations is achieved primarily by issuing share capital. At October 31, 2007, the Company had \$82,742 in cash, \$351,343 in term deposits, and working capital of \$471,410.

During the period ended October 31, 2007 expenditures for operating activities were \$60,495 compared to \$60,509 in 2006.

Desert Gold's investing activities revolve around developing its mineral properties. The Company spent \$132,685 in exploration costs during the period ended October 31, 2007 compared to \$169,114 in 2006. The expenditures were incurred on the Company's Goldbanks property in Nevada.

Financing activities generated a cash flow of \$899,640 during the 2006 period which was a result of a private placement.

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

Capital Resources

The Company's primary capital assets are mineral property assets. The Company capitalizes all costs related to the mineral properties until the properties are abandoned and written-off.

The Company has a mineral property agreement 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 of which \$3 million US must be spent by December 2007. As of October 31, 2007 \$2.1 million US has been spent on exploration.

Transactions with Related Parties

Pursuant to a Management Agreement with the Company, management fees, bookkeeping and administrative services totalling \$4,000 are paid monthly to Pender Street Corporate Consulting Ltd., a private company owned by Eugene Beukman (a director of the Company). During the period, the Company paid \$11,500 in fees and \$5,130 for rent.

Proposed Transactions

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

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 October 31, 2007.

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 Sections 1530 and 3855 does not impact the opening equity and losses of the Company since the Company does not have any of the financial assets or liabilities requiring fair value measurement.

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 13,441,067 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 7,670,000) in Desert Gold:

Number of Desert Gold Warrants to Purchase Common Shares	Exercise Price	Expiry Date
6,200,000	\$0.30	March 24, 2008
1,470,000	\$0.84	October 17, 2008

Internal Controls and Procedures

There were no changes in internal control in the period ended October 31, 2007 that management considered should be disclosed.

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.

Forward Looking Information

Certain statements contained in the following Management Discussion and Analysis 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. Readers are also advised to consider such forward looking statements while considering the risks set forth below.

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.