



**TNR GOLD CORP.
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TNR GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2007

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended September 30, 2007.

TNR GOLD CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited – Prepared by Management)

	September 30, 2007	December 31, 2006 (Audited)
ASSETS		
Current		
Cash	\$ 2,094,051	\$ 281,870
Receivables (Note 4)	220,660	185,411
Marketable securities (Note 5)	68,360	81,625
Prepays	<u>58,277</u>	<u>-</u>
	2,441,348	548,906
Equipment (Note 6)	151,549	175,260
Reclamation bond (Note 7)	2,000	-
Mineral properties (Note 8)	1,354,451	1,126,343
Deferred exploration costs (Note 9)	<u>7,064,151</u>	<u>6,677,910</u>
	<u>\$ 11,013,499</u>	<u>\$ 8,528,419</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	<u>\$ 390,222</u>	<u>\$ 241,569</u>
Shareholders' equity		
Capital stock (Note 10)	20,822,914	17,907,369
Share subscriptions received in advance	-	150,000
Contributed surplus (Note 10)	1,536,244	1,205,694
Deficit	<u>(11,735,881)</u>	<u>(10,976,213)</u>
	<u>10,623,277</u>	<u>8,286,850</u>
	<u>\$ 11,013,499</u>	<u>\$ 8,528,419</u>

Basis of presentation (Note 1)

Subsequent events (Note 15)

On behalf of the Board:

“Gary Schellenberg”

Director

“Jerry Bella”

Director

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

TNR GOLD CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended September 30, 2007	Three Month Period Ended September 30, 2006	Nine Month Period Ended September 30, 2007	Nine Month Period Ended September 30, 2006
EXPENSES				
Administration fees	\$ 5,123	\$ 3,000	\$ 11,127	\$ 9,000
Amortization	3,100	3,619	9,698	7,821
Argentina administration	58,550	35,941	142,321	121,148
Bank charges and interest	2,341	2,025	8,647	9,294
Consulting fees	22,390	13,318	60,643	41,250
Due diligence	5,571	-	5,571	-
Filing fees	4,569	670	30,568	15,371
Management fees	25,000	15,000	55,000	45,000
Office and miscellaneous	28,467	6,932	56,861	37,591
Professional fees	40,111	16,449	125,789	72,521
Rent	8,782	9,169	26,314	26,780
Shareholder communications	6,982	5,646	24,267	22,383
Stock-based compensation	-	-	136,693	150,498
Transfer agent fees	906	1,142	6,927	6,486
Travel and promotion (recovery)	(5,037)	1,656	54,423	9,685
Loss before other items	(206,855)	(114,567)	(754,849)	(574,828)
OTHER ITEMS				
Administration recoveries	-	23,960	639	23,960
Drill rental services	-	28,746	-	28,746
Gain on sale of marketable securities	-	-	-	156,191
Loss on foreign exchange	(566)	(3,172)	(13,380)	(13,739)
Interest income	21,938	2,527	34,027	7,567
Write-down of marketable securities (Note 5)	(19,105)	(5,605)	(26,105)	(24,954)
	<u>2,267</u>	<u>46,456</u>	<u>(4,819)</u>	<u>177,771</u>
Loss for the period	(204,588)	(68,111)	(759,668)	(397,057)
Deficit, beginning of period	(11,531,293)	(10,518,949)	(10,976,213)	(10,190,003)
Deficit, end of period	\$ (11,735,881)	\$ (10,587,060)	\$ (11,735,881)	\$ (10,587,060)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	64,242,609	45,726,480	56,547,126	40,168,533

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

TNR GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended September 30, 2007	Three Month Period Ended September 30, 2006	Nine Month Period Ended September 30, 2007	Nine Month Period Ended September 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (204,588)	\$ (68,111)	\$ (759,668)	\$ (397,057)
Items not affecting cash:				
Amortization of equipment	3,100	3,619	9,698	7,821
Gain on sale of marketable securities	-	-	-	(156,191)
Loss on foreign exchange	3,305	-	9,357	-
Write-down of marketable securities (Note 5)	19,105	5,605	26,105	24,954
Stock-based compensation	-	-	136,693	150,498
Changes in non-cash working capital items:				
(Increase) decrease in receivables	9,290	(375,463)	(35,249)	(660,655)
Increase in prepaid expenses	(58,261)	-	(58,277)	(16)
Increase (decrease) in accounts payable and accrued liabilities	<u>7,357</u>	<u>(182,297)</u>	<u>27,403</u>	<u>(230,099)</u>
Net cash used in operating activities	<u>(220,692)</u>	<u>(616,647)</u>	<u>(643,938)</u>	<u>(1,260,745)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral properties	(57,422)	(8,868)	(172,489)	(33,868)
Deferred exploration costs	(384,392)	(581,747)	(697,781)	(1,542,873)
Recovery of deferred exploration costs	28,711	22,584	440,646	144,069
Other	-	(2,753)	-	28,172
Proceeds from sale of marketable securities	-	-	-	249,191
Purchase of equipment	(2,111)	(3,703)	(6,683)	(49,206)
Reclamation bond	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(415,214)</u>	<u>(574,487)</u>	<u>(438,307)</u>	<u>(1,204,515)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital stock issued	25,000	777,530	3,099,000	2,297,530
Share issuance costs	9,402	-	(54,574)	(98,000)
Share subscriptions received in advance	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>34,402</u>	<u>777,530</u>	<u>2,894,426</u>	<u>2,199,530</u>
Change in cash during the period	(601,504)	(413,604)	1,812,181	(265,730)
Cash, beginning of period	<u>2,695,555</u>	<u>581,873</u>	<u>281,870</u>	<u>433,999</u>
Cash, end of period	<u>\$ 2,094,051</u>	<u>\$ 168,269</u>	<u>\$ 2,094,051</u>	<u>\$ 168,269</u>

Supplemental disclosures with respect to cash flows (Note 14)

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

TNR GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

1. BASIS OF PRESENTATION

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Compania Minera Solitario de Argentina S.A. and Compania Minera San Juan S.A., companies incorporated under the laws of Argentina. All inter-company transactions and accounts have been eliminated upon consolidation.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2006. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2006. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

2. NATURE OF OPERATIONS

The Company's principal business activity is the exploration and development of mineral properties.

3. CHANGE IN ACCOUNTING POLICY

Effective October 1, 2006, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet either 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. 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 instrument is derecognized or impaired.

TNR GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

3. CHANGE IN ACCOUNTING POLICY (cont'd...)

As a result of the adoption of these new standards, the Company has classified its marketable securities as held-for-trading. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

4. RECEIVABLES

The Company's receivables are primarily comprised of amounts owed by its joint venture partners for the Alaskan properties. NovaGold Resources Inc. owes the Company \$158,227 (December 31, 2006 - \$149,060) for expenditures on the Shotgun property (Note 8). Geocom Resources Inc., a company with a common director, owes the Company \$30,451 (December 31, 2006 - \$30,451) for exploration expenditures related to the Lake Illiamna property (Note 8). The remaining \$31,982 (December 31, 2006 - \$5,884) is the refundable Goods and Services Tax owed to the Company.

5. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	September 30, 2007	December 31, 2006
Geocom Resources Inc. ("Geocom") (200,000 common shares)	\$ 46,000	\$ 61,200
La Mancha Resources Inc. ("La Mancha") (14,500 common shares)	9,860	14,800
Latin American Minerals Inc. ("Latin") (25,000 common shares)	<u>12,500</u>	<u>5,625</u>
	<u>\$ 68,360</u>	<u>\$ 81,625</u>

On March 29, 2007, the Company received 12,500 common shares of Latin valued at \$9,375 pursuant to the option agreement on the La Carolina property.

On September 14, 2007, the Company received 4,500 common shares of La Mancha valued at \$3,465 pursuant to the option agreement on the La Ortigueta property.

During the nine month period ended September 30, 2007, the Company adjusted its marketable securities to their fair market value (refer to Note 3). In accordance with accounting policies, unrealized losses of \$15,200, \$8,405 and \$2,500 were recorded on the Geocom, La Mancha and Latin shares respectively. At September 30, 2007, the Company recorded a \$26,105 write-down on its marketable securities.

TNR GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

6. EQUIPMENT

Equipment is recorded at cost less accumulated amortization. Amortization is provided annually over the estimated useful life using the following methods:

Computer equipment	30% declining balance
Drill rig and equipment	20% declining balance
Office furniture	20% declining balance
Telephone equipment	30% declining balance
Vehicle	20% declining balance

	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 16,416	\$ 10,664	\$ 5,752
Drill rig and equipment	180,615	71,886	108,729
Office furniture	20,708	11,303	9,405
Telephone equipment	9,480	5,175	4,305
Vehicle	<u>34,554</u>	<u>11,196</u>	<u>23,358</u>
	\$ 261,773	\$ 110,224	\$ 151,549

7. RECLAMATION BOND

The Company has a deposit in place with the Ministry of Energy, Mines and Petroleum Resources of British Columbia, as security for a reclamation bond on its Tyner Lake property. The reclamation bond is required by British Columbia at the time exploration activities commenced on the property and do not represent an asset retirement obligation.

TNR GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. MINERAL PROPERTIES

Mineral property acquisition costs relate to the following properties:

	September 30, 2007	December 31, 2006
Argentina		
Solitario Properties	\$ 595,728	\$ 595,728
El Salto	16,216	9,358
El Tapau	24,726	-
Eureka	<u>196,524</u>	<u>-</u>
	<u>833,194</u>	<u>605,086</u>
Canada		
Tyner Lake (British Columbia)	<u>25,000</u>	<u>25,000</u>
United States		
Shotgun Claims (Alaska)	425,686	425,686
Lake Iliamna-Bristol Bay (Alaska)	<u>70,571</u>	<u>70,571</u>
	<u>496,257</u>	<u>496,257</u>
	<u>\$ 1,354,451</u>	<u>\$ 1,126,343</u>

Title to mineral property interests

Title to mineral property interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Solitario Properties (Argentina)

The Company holds a 100% interest in several mineral property interests in Argentina. The Company entered into agreements with respect to their mineral property interests as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. MINERAL PROPERTIES (cont'd...)

Batidero Property (Argentina)

The Company granted an option to Tenke, a company with a former common director, to acquire a 75% interest in the Batidero mineral properties. Tenke issued 184,000 common shares and incurred exploration expenses totalling \$2,000,000 to earn its interest.

Tenke and the Company have formed a joint venture to share all future costs and revenues on a pro-rata basis of 25% and 75% to the Company and Tenke respectively.

La Carolina Property (Argentina)

The Company granted an option to Geocom, a company with a common director, to acquire a 50% interest in the La Carolina Property in San Luis, Argentina. Pursuant to the agreement, Geocom issued 200,000 common shares at a value of \$102,500 to earn its interest.

The Company and Geocom entered into an agreement during the year ended December 31, 2005 with Latin American Minerals (“Latin American”) to grant an option to earn a 75% interest in the property.

Latin American is required to:

- i) incur exploration expenditures of US\$1,000,000 by April 4, 2011, providing a minimum expenditure of US\$50,000 on or before April 4, 2007 (incurred), and,
- ii) pay a total of US\$125,000 and issue 125,000 shares of Latin American to the Company and Geocom by April 4, 2010, of which US\$62,500 and 62,500 shares were received to date.

In addition to the consideration set out above, upon full vesting of its 75% interest in the property, Latin American will issue an additional 100,000 common shares divided equally between Geocom and the Company.

Los Azules (Argentina)

The Company signed a letter of understanding with Xstrata PLC (“Xstrata”) granting Xstrata an option to acquire a 100% interest in the Los Azules project in Argentina.

To earn its interest Xstrata must make cash payments totaling US\$560,000 (paid) and incur exploration expenditures totaling US\$1,000,000 (incurred) by May 15, 2008 as follows:

- i) Pay US\$20,000 on or before May 15, 2004 (received);
- ii) Pay US\$30,000 on or before May 15, 2005; (received)
- iii) Pay US\$100,000 on or before May 15, 2006; (received)
- iv) Pay US\$160,000 on or before May 15, 2007; (received) and
- v) Pay US\$250,000 on or before May 15, 2008 (received).

The Company has an option to repurchase a 25% interest upon completion of a feasibility study.

In 2005, Xstrata optioned its 100% interest to Minera Andes Inc. (“Minera Andes”) in which Minera Andes would make all the cash payments required and incur \$3,000,000 (incurred) in exploration expenditures by May 15, 2008.

TNR GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

8. MINERAL PROPERTIES (cont'd...)**La Ortiguita (Argentina)**

The Company entered into an agreement during the 2006 fiscal year with La Mancha whereby La Mancha has an option to acquire a 75% undivided interest in the La Ortiguita Property located in the San Juan Province of Argentina.

To earn its interest, La Mancha was required to pay US\$220,000, issue 185,000 common shares, and incur exploration expenditures totalling US\$3,630,000 over a period of five years as follows:

- i) Pay US\$25,000 and issue 5,000 shares on or before November 30, 2005 (received);
- ii) Pay US\$20,000 (received), issue 5,000 shares (received) and incur US\$250,000 on or before July 15, 2006 (incurred);
- iii) Pay US\$35,000, issue 5,000 shares and incur an additional US\$250,000 (incurred) on or before July 15, 2007;
- iv) Pay US\$40,000, issue 30,000 shares and incur an additional US\$450,000 on or before July 15, 2008;
- v) Pay US\$50,000, issue 55,000 shares and incur an additional US\$1,080,000 on or before July 15, 2009; and
- vi) Pay US\$50,000, issue 85,000 shares and incur an additional US\$1,600,000 on or before July 15, 2010.

On July 10, 2007, the Company and La Mancha amended the cash payments and exploration requirements on the La Ortiguita property option agreement as follows:

- a) Pay US\$28,000 (paid), issue 4,500 shares (received) and incur an additional US\$250,000 (incurred) on or before July 15, 2007;
- b) Pay US\$33,000, issue 27,000 shares and incur an additional US\$450,000 on or before July 15, 2008;
- c) Pay US\$43,000, issue 49,500 shares and incur an additional US\$1,080,000 on or before July 15, 2009; and
- d) Pay US\$43,000, issue 76,500 shares and incur an additional US\$1,600,000 on or before July 15, 2010.

La Mancha will earn a 42.66% interest upon fulfilment of terms a) to c) and a 75% interest upon the fulfilment of all the terms. The Company will retain a 1.5% net smelter return (“NSR”) royalty purchasable by La Mancha for US\$1,500,000 before July 15, 2010.

Cristina (Argentina)

During the three month period ended September 30, 2007, the Company began conducting due diligence on the Cristina property located in San Juan Province, Argentina.

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8. MINERAL PROPERTIES (cont'd...)

El Salto (Argentina)

On August 15, 2006, the Company signed an option agreement to earn a 100% interest in the El Salto property, located in San Juan Province, Argentina. To earn its 100% interest, the Company will pay a total of US\$100,000 and incur US\$1,000,000 in exploration expenditures over five years as follows:

- i) Pay US\$8,000 upon signing (paid);
- ii) Pay US\$7,000 (paid) and incur US\$75,000 (incurred) on or before August 1, 2007;
- iii) Pay US\$10,000 and incur an additional US\$150,000 on or before August 1, 2008;
- iv) Pay US\$20,000 and incur an additional US\$175,000 on or before August 1, 2009;
- v) Pay US\$25,000 and incur an additional US\$250,000 on or before August 1, 2010; and
- vi) Pay US\$30,000 and incur an additional US\$350,000 on or before August 1, 2011.

The property is subject to a 1% NSR royalty. The Company has the option to purchase the property outright for US\$500,000 at any time during the exploration period by making five payments of US\$100,000 over the period of five years. If the Company exercises this option, the 1% NSR as well as the exploration expenditures requirement will no longer be applicable.

El Tapau (Argentina)

On August 29, 2007, the Company signed a letter of agreement with Petra Gold Servicio Mineros (“Petra”) and Gustavo Pezzani to earn a 70% interest in the El Tapau property, located 130 kilometres west of San Juan, San Juan Province, Argentina. To earn its 70% interest, the Company will pay a total of US\$1,000,000 over five years and incur US\$3,000,000 in exploration expenditures over four years as follows:

- i) Pay US\$25,000 upon signing (paid)
- ii) Pay US\$75,000 upon execution of a Formal Agreement (the “Effective Date”)
- iii) Pay US\$100,000 and incur US\$500,000 on or before the first anniversary of the Effective Date;
- iv) Pay US\$125,000 and incur an additional US\$500,000 on or before the second anniversary of the Effective Date;
- v) Pay US\$175,000 and incur an additional US\$1,000,000 on or before the third anniversary of the Effective Date;
- vi) Pay US\$200,000 and incur an additional US\$1,000,000 on or before the fourth anniversary of the Effective Date;
and
- vii) Pay US \$300,000 on or before the fifth anniversary of the Effective Date.

The property is subject to a 2% NSR royalty. The Company has the option to purchase the NSR royalty at any time for US\$2,000,000.

This is a non-arm’s length transaction and is subject to regulatory approval.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. MINERAL PROPERTIES (cont'd...)

Eureka (Argentina)

On March 21, 2007, the Company signed an option agreement to acquire a 75% interest in the Eureka property, a copper-gold prospect located in the Jujuy province of Argentina. To exercise this option, the Company paid \$131,548 and must expend a total of US\$3,000,000 in exploration and option payments before April 20, 2010, with a minimum expenditure of US\$500,000 per year.

On June 1, 2007, the Company issued 750,000 warrants exercisable at \$0.25 per share until June 1, 2009. These warrants were issued as a finder's fee for the Eureka property option agreement. The \$64,976 value of these warrants was capitalized to Eureka acquisition costs.

Shotgun Claims (Alaska)

The Company has a 50% interest in certain unpatented mineral claims located in the Kuskokwim and Bristol Bay recording district, Alaska from NovaGold Resources Inc. ("NovaGold") to acquire this interest. The Company incurred exploration expenditures totalling US\$3,100,000 and issued to NovaGold 1,312,500 common shares.

The claims are subject to a 5% net proceeds royalty.

On August 16, 2006, the Company and NovaGold agreed to continue the exploration program on the Shotgun property with each participant contributing 50%, of which \$158,227 is due from NovaGold.

Lake Iliamna-Bristol Bay (Alaska)

The Company previously entered into a farm-out agreement with BHP Billiton Mineral Exploration Inc. ("BHPB") to acquire the right to earn a 70% interest in certain mineral claim blocks located in the Lake Iliamna-Bristol Bay area, Alaska.

During the year ended December 31, 2003, the Company granted an option to Geocom to earn a 75% interest in the Company's 70% interest in the Lake Iliamna project. To earn its interest, Geocom expended a minimum of US\$500,000 in exploration costs prior to September 26, 2004. Geocom is subject to the same terms and conditions as the Company on the amended farm-out agreement with BHPB.

Through a series of amended agreements with BHPB, the amendment is as follows:

- i) The Company issued 1,000,000 share purchase warrants to BHPB. The fair market value of these warrants using the Black-Scholes option pricing model is \$30,571 and is included in acquisition costs. The warrants are exercisable at an exercise price of \$0.40 per share until November 10, 2006 (expired unexercised);
- ii) The Company completed an aggregate of 500 meters of diamond drilling including not less than two drill holes of not less than 250 meters each on the D claims and delivering to BHPB all drilling and assay results therefrom in writing by no later than June 30, 2006, and not less than three drill holes of not less than 250 meters each on certain claims known as the H claims on or before December 31, 2005.

TNR GOLD CORP.

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NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

8. MINERAL PROPERTIES (cont'd...)

Lake Iliamna-Bristol Bay (Alaska) (cont'd...)

BHPB had the right to back in to a 70% ownership of the D claims by financing the project to a feasibility study and to an 80% ownership by financing the property to bring a mine into commercial production. BHPB did not exercise its right. The Company and Geocom agreed to enter into an amended agreement (not completed) on the D Claims on a pro-rata basis of 49% and 51% respectively of the Company's 70% interest. Upon completion of the amended agreement, the Company, Geocom and BHPB will enter into a joint venture agreement on the D Claims.

BHPB had the right to back into a 70% interest and take over operation of the project. BHPB did not exercise its right. The Company agreed with Geocom to enter into an amended agreement (not completed) on the H claims whereby the original interest of Geocom earning 75% of the Company's 70%, which will in turn enter into a joint venture with BHPB ("BHP JV") on the H claims.

Tyner Lake (Canada)

On April 25, 2006, the Company signed an option agreement to acquire a 100% interest in certain mineral claims, referred to as the Tyner Lake copper project located in Highland Valley of British Columbia, Canada.

In order to earn its interest in the property, the Company must pay \$100,000 (\$25,000 paid) and incur a minimum of \$35,000 in exploration costs (\$332,642 incurred). The property is subject to a 1% NSR royalty.

TNR GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

9. DEFERRED EXPLORATION COSTS

Deferred exploration costs for the nine month period ended September 30, 2007 were incurred on properties in Alaska, Argentina and Canada as follows:

2007	Solitario Properties, Argentina	Cristina, Argentina	El Salto, Argentina	El Tapau, Argentina	Eureka, Argentina	Shotgun Claims, Alaska	Lake Illiamna Bristol Bay, Alaska	Tyner Lake, Canada	Total
Deferred exploration costs, beginning of the period	\$ 1,781,551	\$ -	\$ 18,517	\$ -	\$ -	\$ 4,504,063	\$ 258,223	\$ 115,556	\$ 6,677,910
Additions during the period									
Administrative	11,468	-	108	108	110	653	-	2,467	14,914
Amortization	-	-	-	-	-	20,696	-	-	20,696
Assays	-	-	5,775	3,484	184	-	-	920	10,363
Camp costs	-	-	-	-	-	3,641	-	12,614	16,255
Demobilization	-	-	1,860	-	-	-	-	1,500	3,360
Drilling	-	-	-	-	-	-	-	81,415	81,415
Due diligence	-	-	-	19,510	-	-	-	-	19,510
Field expenditures	6,476	-	8,466	6,073	1,815	19,663	-	17,494	59,987
Field personnel	14,817	-	30,289	-	1,596	2,063	44,021	15,975	108,761
Geological consulting	44,700	-	6,563	5,438	10,914	37,666	-	32,506	137,787
Geophysical	10,283	-	122,437	-	3,515	-	-	2,450	138,685
Mapping	162	-	1,230	2,784	1,943	-	-	430	6,549
Miscellaneous	17,072	-	4,066	23	566	24	-	15	21,766
Mobilization	-	-	11,694	-	-	-	-	3,298	14,992
Property leases and taxes	26,208	-	-	-	16,754	-	26,056	5,822	74,840
Site access	3,321	-	-	-	-	-	-	-	3,321
Staking fees	12,347	-	-	-	-	-	-	-	12,347
Storage	-	-	-	-	-	666	-	1,125	1,791
Telecommunications	5,104	-	5	5	-	62	-	601	5,777
Transportation and freight	13,713	-	7,145	703	2,467	173	-	1,211	25,412
Travel and related	6,251	250	15,952	1,149	9,010	1,755	-	37,242	71,609
	<u>171,922</u>	<u>250</u>	<u>215,590</u>	<u>39,277</u>	<u>48,874</u>	<u>87,062</u>	<u>70,077</u>	<u>217,085</u>	<u>850,137</u>
Costs recovered	<u>(463,896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(463,896)</u>
Deferred exploration costs, end of the period	\$ 1,489,577	\$ 250	\$ 234,107	\$ 39,277	\$ 48,874	\$ 4,591,125	\$ 328,300	\$ 332,641	\$ 7,064,151

TNR GOLD CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Unlimited Class “A” non-voting convertible redeemable shares, without par value			
Common shares issued			
Balance, December 31, 2006	48,007,763	\$ 17,907,369	\$ 1,205,694
Acquisition of mineral property	-	-	64,976
Exercise of warrants	200,000	49,000	-
Private placements	15,250,000	3,050,000	-
Share issue costs		(359,935)	128,881
Units issued as finder’s fee	882,400	176,480	-
Stock-based compensation	-	-	136,693
Balance, September 30, 2007	64,340,163	\$ 20,822,914	\$ 1,536,244

As of September 30, 2007, 1,974,907 Series “A” shares with a stated value of \$Nil are issued.

Flow-Through Private Placement

On January 18, 2007, the Company completed a non-brokered private placement of 750,000 Flow Through Units (“FT Unit”) at \$0.20 per FT Unit for gross proceeds of \$150,000. Each FT Unit is comprised of one flow-through share and one-half share purchase warrant. Each whole warrant will be exercisable into one flow-through share at \$0.25 per share by January 18, 2008.

Private Placement

On May 15, 2007, the Company completed a brokered private placement of 14,500,000 units at \$0.20 for gross proceeds of \$2,900,000. Each unit consists of one common share and one-half transferable share purchase warrant. Each full warrant is exercisable into one additional common share of the Company at \$0.30 until May 15, 2008, then at \$0.50 until May 15, 2009.

The Company paid the agent a 7% commission on 12,605,714 of the units by issuing an additional 882,400 units valued at \$176,480 which consisted of one common share and one-half non-transferable share purchase warrant. Each full agent’s warrant entitles the agent to acquire one common share at \$0.30 until May 15, 2008, then at \$0.50 until May 15, 2009.

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10. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)*Private Placement (cont'd...)*

Pursuant to the private placement agreement, the agent also received 1,305,000 warrants (valued at \$128,881) equal to 9% of the 14,500,000 units issued. Each agent's warrant entitles the agent to purchase one common share at \$0.25 until May 15, 2009.

The Company paid the agent a commission of \$26,520 plus \$18,016 to reimburse for expenses. Legal fees of \$10,038 related to this private placement were also recorded as share issue costs.

Stock Options

As at September 30, 2007, the following incentive stock options are available:

Number of Shares	Exercise Price	Expiry Date
1,115,000	0.25	January 20, 2008
1,425,000	0.20	December 11, 2011
1,600,000	0.20	May 17, 2009
<u>120,000</u>	0.23	September 6, 2011
4,260,000		

As at September 30, 2007, the following incentive stock options are fully vested:

Number of Shares	Exercise Price	Expiry Date
1,115,000	0.25	January 20, 2008
1,425,000	0.20	December 11, 2011
<u>1,600,000</u>	0.20	May 17, 2009
4,140,000		

On January 7, 2007, the 75,000 stock options exercisable at \$0.28 per share expired unexercised.

On February 10, 2007, the 1,100,000 stock options exercisable at \$0.35 per share expired unexercised.

On June 30, 2007, the 150,000 stock options exercisable at \$0.25 per share expired unexercised.

On June 30, 2007, the 50,000 stock options exercisable at \$0.20 per share expired unexercised.

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10. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)**Stock-Based Compensation**

On May 17, 2007, the Company granted 1,600,000 incentive stock options at \$0.20 per option which will expire on May 17, 2009. The Company recognized \$136,693 of stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.

On September 6, 2007, the Company granted 120,000 incentive stock options at \$0.23 per option which will expire on September 6, 2011. These options were granted to Source One Capital Corp. for investor relations services which will commence on October 1, 2007. The Company has not recognized any stock-based compensation on these options as they are subject to a vesting schedule and TSX Venture Exchange approval.

The following assumptions were used for the Black-Scholes option-pricing model calculation of stock options granted during the period:

	2007
Risk-free interest rate	4.35%
Expected life of options	2 years
Expected annualized volatility	52.22%
Dividend	-

Warrants

At September 30, 2007, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
3,700,000	\$ 0.27	May 1, 2008
275,000	0.25	January 18, 2008
7,250,000	0.30	May 15, 2008
	if not then at \$0.50	May 15, 2009
441,200	0.30	May 15, 2008
	if not then at \$0.50	May 15, 2009
1,305,000	0.25	May 15, 2009
<u>750,000</u>	0.25	June 1, 2009
<u>13,721,200</u>		

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10. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Exercise of Warrants

On April 13, 2007, the Company received \$24,000 from the exercise of 100,000 warrants at \$0.24 per share with a May 1, 2007 expiry date.

On September 27, 2007, the Company received \$6,250 from the exercise of 25,000 warrants at \$0.25 per share with a January 18, 2008 expiry date.

On September 28, 2007, the Company received \$18,750 from the exercise of 75,000 warrants at \$0.25 per share with a January 18, 2008 expiry date.

Warrants Expired

On August 16, 2007, 2,125,000 warrants exercisable at \$0.25 per share expired unexercised.

Warrants Granted

On June 1, 2007, the Company issued 750,000 warrants exercisable at \$0.25 per share until June 1, 2009. These warrants were issued as a finder's fee for the Eureka property option agreement. The \$64,976 value of these warrants was capitalized to Eureka acquisition costs.

The following weighted average assumptions were used for the Black-Scholes option-pricing model calculation of the 1,305,000 private placement finder's fee and 750,000 Eureka property option warrants granted during the period:

	2007
Risk-free interest rate	4.37%
Expected life of options	2 years
Expected annualized volatility	79.29%
Dividend	-

11. RELATED PARTY TRANSACTIONS

During the nine month period ended September 30, 2007, the Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements:

- a) Paid or accrued \$55,000 (2006 - \$45,000) for management services to a director and a company controlled by a director.
- b) Paid or accrued \$11,000 (2006 - \$9,000) for administration fees to the spouse of a director.

TNR GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

11. RELATED PARTY TRANSACTIONS (cont'd...)

- c) Paid or accrued deferred exploration costs of \$160,375 (2006 - \$431,719) to a company having common directors.
- d) Paid or accrued rent of \$22,770 (2006- \$22,540) to a company having common directors.
- e) Paid or accrued \$35,620 (2006 - \$27,182) for consulting services to a director and a company controlled by a director.
- f) Paid or accrued \$21,077 (2006 - \$3,004) for accounting fees to a company controlled by an officer.

Included in accounts payable and accrued liabilities at September 30, 2007 is \$47,311 (2006 - \$77,918) due to a director and two companies controlled by common directors.

On March 15, 2007, the Company received a \$100,000 short term non-interest bearing loan with no formal terms of repayment from a company controlled by common directors. On May 16, 2007, the Company repaid the \$100,000 loan.

On August 29, 2007, the Company paid \$24,726 (US\$25,000) to a company controlled by a common director pursuant to the El Tapau property option agreement.

Included in accounts receivable at September 30, 2007 is \$30,451 (2006 - \$Nil) due from a director and a company controlled by a common director for travel and exploration expenditures.

Related party transactions are in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, marketable securities and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Credit risk

The Company does not believe it is subject to any significant credit risk although cash is held in excess of federally insured limits, with major financial institutions.

Currency risk

The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk.

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NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

12. FINANCIAL INSTRUMENTS (cont'd...)**Risk management**

The Company's largest non-monetary assets are its mineral exploration interests in Alaska, Argentina and Canada. The Company could accordingly be at risk for foreign currency fluctuations and developing legal and political environments.

The Company does not maintain significant cash or other monetary assets or liabilities in Argentina. The Company relies on local consultants for the management of its exploration activities and for legal and accounting matters.

13. SEGMENTED INFORMATION

The Company operates in one business segment which is the exploration of mineral properties.

The Company's mineral properties are located in Argentina, Canada and United States.

14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2007	2006
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Significant non-cash transactions during the nine month period ended September 30, 2007 included:

- The Company capitalized \$20,696 as amortization on the drill and equipment to deferred exploration costs.
- On March 29, 2007, the Company received 12,500 common shares of Latin American Minerals Inc. valued at \$9,375 pursuant to the option agreement on the La Carolina property.
- On May 15, 2007, the Company issued 1,305,000 warrants valued at \$128,881 to the agent as a finder's fee for the 14,500,000 unit private placement.
- On May 15, 2007, the Company paid the agent a 7% commission on 12,605,714 of the 14,500,000 unit private placement by issuing an additional 882,400 units valued at \$176,480 which consisted of one common share and one-half non-transferable share purchase warrant.
- On June 1, 2007, the Company issued 750,000 warrants exercisable at \$0.25 per share until June 1, 2009. These warrants were issued as a finder's fee for the Eureka property option agreement. The \$64,976 value of these warrants was capitalized to Eureka acquisition costs.
- On September 14, 2007, the Company received 4,500 common shares of La Mancha Resources Inc. valued at \$3,465 pursuant to the option agreement on the La Ortigueta property.

TNR GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (cont'd...)

Significant non-cash transactions during the nine month period ended September 30, 2006 included:

- a) The Company capitalized \$23,262 as amortization on the drill and equipment to deferred exploration costs.
- b) The Company capitalized \$26,115 of stock-based compensation to deferred exploration costs since it was directly related to work performed on the properties by consulting geologists.
- c) Included in deferred exploration costs is \$587,057 incurred through accounts payable and accrued liabilities.
- d) On April 5, 2006, the Company received 12,500 common shares of Latin American Minerals valued at \$8,125 pursuant to the option agreement on the La Carolina property.
- e) On April 6, 2006, the Company received 150,000 common shares of Geocom Resources Inc. valued at \$65,744 pursuant to the La Carolina property option agreement.
- e) On May 18, 2006, the Company allocated \$2,175 for the cancellation of 18,125 escrow shares from capital stock to contributed surplus.
- g) On July 18, 2006, the Company received 5,000 common shares of La Mancha Resources Inc. valued at \$7,750 pursuant to the option agreement on the La Ortiguita property.

15. SUBSEQUENT EVENTS*Cancelled Stock Options*

In October 2007, 25,000 stock options exercisable at \$0.25 per share until January 20, 2008 were cancelled.

An additional 50,000 stock options exercisable at \$0.20 per share until December 11, 2011 were also cancelled.

Tyner Lake Write-Off

On October 5, 2007, the Company's management decided not to pursue any further exploration of the Tyner Lake property. The property will be returned to the vendor and all acquisition and deferred exploration costs will be written-off to operations in the quarter ended December 31, 2007.

Exercised Warrants

On October 18, 2007, the Company issued 18,750 common shares at \$0.25 per share for gross proceeds of \$4,688 from the exercise of warrants with a January 18, 2008 expiry date.

On October 24, 2007, the Company issued 100,000 common shares at \$0.27 per share for gross proceeds of \$27,000 from the exercise of warrants with a May 1, 2008 expiry date.

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15. SUBSEQUENT EVENTS (cont'd...)

Exercised Stock Options

On October 19, 2007, the Company issued 20,000 common shares at \$0.25 per share for gross proceeds of \$5,000 from the exercise of options with a January 20, 2008 expiry date.

On October 19, 2007, the Company issued 50,000 common shares at \$0.20 per share for gross proceeds of \$10,000 from the exercise of options with a December 11, 2011 expiry date.

On October 30, 2007, the Company issued 25,000 common shares at \$0.20 for gross proceeds of \$5,000 from the exercise of options with a December 11, 2011 expiry date.

On November 6, 2007, the Company issued 20,000 common shares at \$0.25 for gross proceeds of \$5,000 from the exercise of options with a January 20, 2008 expiry date.

Eureka Claims Acquisition

On October 23, 2007, the Company announced that it acquired an additional 1,820.49 hectares at the Eureka property. The new claims will be added to the original property option agreement for a one-time fee of US\$30,000.

Stock Options Granted

On November 1, 2007, the Company granted 400,000 stock options exercisable at \$0.35 per share to two employees until November 1, 2012. These options are subject to a 25% vesting schedule every three months.