
GOLDEN PEAKS RESOURCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
JULY 31, 2007

(Unaudited - Prepared by Management)

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Golden Peaks Resources Ltd. for the three months ended July 31, 2007, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	July 31, 2007	April 30, 2007
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	7,871,431	10,020,077
Amounts receivable (Note 4)	109,430	83,933
Prepays	<u>8,827</u>	<u>12,701</u>
	7,989,688	10,116,711
PLANT AND EQUIPMENT , net of accumulated amortization of \$52,507	92,742	97,523
MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (Note 5)	<u>10,448,074</u>	<u>8,061,725</u>
	<u><u>18,530,504</u></u>	<u><u>18,275,959</u></u>
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	<u>748,430</u>	<u>794,420</u>
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL (Note 6)	28,971,789	28,546,902
CONTRIBUTED SURPLUS (Note 8)	2,466,117	2,065,149
DEFICIT	<u>(13,655,832)</u>	<u>(13,130,512)</u>
	<u>17,782,074</u>	<u>17,481,539</u>
	<u><u>18,530,504</u></u>	<u><u>18,275,959</u></u>

APPROVED BY THE BOARD

"Kieran Downes" , Director

"Nick DeMare" , Director

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

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
FOR THE THREE MONTHS ENDED JULY 31
(Unaudited - Prepared by Management)

	Three Months Ended	
	July 31	
	2007	2006
	\$	\$
EXPENSES		
Accounting and administration	16,708	13,900
Advertising	3,289	34,539
Amortization	3,798	1,966
Audit	19,370	7,540
Consulting	20,100	5,000
Corporate development and shareholder communications	20,694	91,814
Directors' fees	12,500	-
Filing fees and transfer agent	9,032	2,387
General exploration	1,299	2,189
Legal	6,005	27,974
Management fees	26,000	22,500
Office and general	21,185	33,529
Office rent	5,275	6,572
Professional fees	22,362	16,295
Stock-based compensation (Note 7)	413,355	12,343
Travel and related costs	6,195	12,666
	<u>607,167</u>	<u>291,214</u>
LOSS BEFORE THE FOLLOWING ITEMS	(607,167)	(291,214)
INTEREST INCOME	91,800	132,138
FOREIGN EXCHANGE LOSS	<u>(9,953)</u>	<u>(3,478)</u>
LOSS FOR THE PERIOD	(525,320)	(162,554)
DEFICIT - BEGINNING OF PERIOD	<u>(13,130,512)</u>	<u>(10,883,976)</u>
DEFICIT - END OF PERIOD	<u>(13,655,832)</u>	<u>(11,046,530)</u>
 BASIC AND DILUTED LOSS PER COMMON SHARE	 <u><u>\$(0.02)</u></u>	 <u><u>\$(0.01)</u></u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	 <u><u>31,066,746</u></u>	 <u><u>30,168,594</u></u>

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

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Prepared by Management)

	Three Months Ended	
	July 31	
	2007	2006
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Loss for the period	(525,320)	(162,554)
Items not involving cash		
Amortization	3,798	1,966
Stock-based compensation	413,355	12,343
	(108,167)	(148,245)
Increase in amounts receivable	(25,497)	(42,777)
Decrease in prepaids	3,874	27,132
Decrease in accounts payable and accrued liabilities	(732,268)	(384,235)
	(862,058)	(548,125)
FINANCING ACTIVITY		
Issuance of common shares	412,500	-
INVESTING ACTIVITIES		
Expenditures on mineral properties and deferred exploration costs	(1,697,479)	(776,245)
Plant and equipment purchases	(1,609)	(5,919)
	(1,699,088)	(782,164)
DECREASE IN CASH AND		
CASH EQUIVALENTS FOR THE PERIOD	(2,148,646)	(1,330,289)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	10,020,077	15,044,898
CASH AND CASH EQUIVALENTS - END OF PERIOD	7,871,431	13,714,609
CASH AND CASH EQUIVALENTS COMPRISED OF:		
Cash	2,087,836	859,609
Short-term deposits	5,783,595	12,855,000
	7,871,431	13,714,609

SUPPLEMENTAL CASH FLOW INFORMATION - See Note 10

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

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of precious metals on mineral properties located in Argentina. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as mineral properties and deferred exploration costs represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs over the next twelve months. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

3. CHANGES IN ACCOUNTING POLICIES

Effective May 1, 2007 the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments - Recognition and Measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables, or other financial liabilities. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

3. CHANGES IN ACCOUNTING POLICIES (continued)

Upon adoption of this new standard, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at July 31, 2007, the Company did not have any financial assets classified as available-for-sale and therefore the adoption of the standards noted above had no effect on the presentation of the Company's financial statements.

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale.

4. AMOUNTS RECEIVABLES

	July 31, 2007 \$	April 30, 2007 \$
Amounts receivable	72,874	46,073
Interest receivable	26,627	24,605
Taxes recoverable	9,929	13,255
	<u>109,430</u>	<u>83,933</u>

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	<u>July 31, 2007</u>			<u>April 30, 2007</u>		
	Mineral Property \$	Deferred Exploration Costs \$	Total Costs \$	Mineral Property \$	Deferred Exploration Costs \$	Total Costs \$
La Fortuna	1,980,035	6,972,194	8,952,229	790,041	6,078,432	6,868,473
Lonco	66,662	60,524	127,186	66,662	60,384	127,046
Oro	66,661	47,495	114,156	66,661	47,495	114,156
Others	-	1,254,503	1,254,503	-	952,050	952,050
	<u>2,113,358</u>	<u>8,334,716</u>	<u>10,448,074</u>	<u>923,364</u>	<u>7,138,361</u>	<u>8,061,725</u>

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (continued)

(a) *La Fortuna Project*

The La Fortuna Project comprises two agreements:

- i) in December 2003, the Company entered into an option agreement to acquire a 100% interest in the La Fortuna Property, covering approximately 5,000 hectares, located in the province of Chubut, Argentina. The Company has paid a total of US \$350,000 to acquire the option on a 100% interest in the La Fortuna Property. In addition, the Company must pay US \$1 per ounce of all proven and economically recoverable gold or gold-silver equivalent to the optionor, to a maximum of US \$5 million, of which an initial payment of US \$1 million was paid on June 19, 2007. Following the initial payment the option agreement is now considered to be partially exercised and the ownership of the La Fortuna Property will be transferred to the Company on December 19, 2008. At that time the Company will also be required to pay for all additional proven and economically recoverable ounces of gold or gold-silver equivalent discovered in excess of 1 million ounces, to a maximum of 4 million ounces, at US \$1 per ounce. If 4 million ounces have not been discovered at the end of year five, the Company will continue to have the obligation to pay US \$1 per ounce for all additional proven and economically recoverable ounces of gold or gold-silver equivalent discovered to a maximum of 4 million ounces.
- ii) in January 2007, the Company entered into an option agreement to acquire a 100% interest in the Stella Maris claims, covering approximately 50 hectares, by making option payments totalling US \$450,000 (US \$30,000 paid) over six years. Upon exercise of the option, the vendor will receive a 1.5% net smelter royalty which can be purchase by the Company at any time prior for US \$450,000.

(b) *Lonco Project*

In December 2004, the Company entered into an option agreement to acquire a 100% interest in the Lonco Project, covering approximately 66,000 hectares, located in the province of Neuquen, Argentina. Under the agreement the Company is required to make monthly payments of US \$2,000 and can purchase the Lonco Project at any time by payment of US \$400,000. If the option is exercised the Company will pay advance royalties of US \$2,000 per month until the earlier of ten years, or the start of commercial production at which time a 1% net smelter return ("NSR") becomes payable.

(c) *Oro Project*

In December 2004, the Company entered into an option agreement to acquire a 100% interest in the Oro Project, covering approximately 72,000 hectares, located in the province of Neuquen, Argentina. Under the agreement the Company is required to make monthly payments of US \$2,000 and can purchase the Oro Project at any time by payment of US \$400,000. If the option is exercised the Company will pay advance royalties of US \$2,000 per month until the earlier of ten years, or the start of commercial production at which time a 1% NSR becomes payable.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

6. SHARE CAPITAL

Authorized - unlimited common shares without par value

Issued -	<u>July 31, 2007</u>		<u>April 30, 2007</u>	
	Shares	\$	Shares	\$
Balance - beginning of period	<u>30,943,594</u>	<u>28,546,902</u>	<u>30,168,594</u>	<u>27,514,277</u>
Issued during the period				
For cash				
Exercise of options	50,000	30,000	775,000	786,250
Exercise of warrants	170,000	382,500	-	-
Reallocation from contributed surplus on exercise of options (Note 8)	<u>-</u>	<u>12,387</u>	<u>-</u>	<u>246,375</u>
	<u>220,000</u>	<u>424,887</u>	<u>775,000</u>	<u>1,032,625</u>
Balance - end of period	<u><u>31,163,594</u></u>	<u><u>28,971,789</u></u>	<u><u>30,943,594</u></u>	<u><u>28,546,902</u></u>

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at July 31, 2007 and 2006 and the changes for the three months ending on those dates is as follows:

	<u>2007</u>	<u>2006</u>
Balance, beginning of period	6,153,700	6,153,700
Exercised	<u>(170,000)</u>	<u>-</u>
Balance, end of period	<u><u>5,983,700</u></u>	<u><u>6,153,700</u></u>

As at July 31, 2007, the Company had outstanding warrants issued pursuant to private placements, which may be exercised to purchase 5,983,700 common shares, at an exercise price of \$2.25 per share, expiring March 31, 2008.

7. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The options have a maximum term of ten years.

During the three months ended July 31, 2007, the Company granted 400,000 (2006 - 33,000) stock options to the Company's directors, employees and consultants, and recorded compensation expense of \$413,355 (2006 - \$12,343).

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

7. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)

The fair value of stock options granted to consultants is estimated on the dates of grants using the Black-Scholes option pricing model with the following assumptions used for the grants made during the three months ended July 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	4.13%	6.00%
Estimated volatility	69.98%	72.38%
Expected life	3 years	1 year
Expected dividend yield	0%	0%

The weighted average fair value of all stock options granted during the three months ended July 31, 2007 to the Company's directors, employees and consultants was \$0.40 per share (2006 - \$0.91 per share).

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

A summary of the Company's outstanding stock options at July 31, 2007 and 2006 and the changes for the three months ending on those dates is presented below:

	<u>2007</u>		<u>2006</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	2,183,000	1.76	2,045,000	1.30
Granted	400,000	2.05	33,000	2.22
Exercised	(50,000)	0.60	-	-
Cancelled / expired	<u>(100,000)</u>	2.05	<u>(200,000)</u>	2.31
Balance, end of period	<u>2,433,000</u>		<u>1,878,000</u>	1.21

The following table summarizes information about the stock options outstanding and exercisable at July 31, 2007:

Exercise Price \$	Number Outstanding	Expiry Date
0.55	400,000	October 6, 2007
1.00	50,000	December 2, 2007
1.50	60,000	February 7, 2008
2.13	450,000	March 31, 2008
2.22	33,000	June 6, 2008
2.15	800,000	October 25, 2008
2.06	270,000	December 1, 2008
2.10	50,000	January 17, 2009
2.50	20,000	March 20, 2009
2.05	<u>300,000</u>	May 10, 2010
	<u>2,433,000</u>	

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

8. CONTRIBUTED SURPLUS

The Company's contributed surplus as July 31, 2007 and 2006 comprises the following:

	2007 \$	2006 \$
Balance, beginning of period	2,065,149	1,264,827
Stock-based compensation (Note7)	413,355	12,343
Stock options exercised (Note 6)	<u>(12,387)</u>	<u>-</u>
Balance, end of period	<u><u>2,466,117</u></u>	<u><u>1,277,170</u></u>

9. RELATED PARTY TRANSACTIONS

During the three months ended July 31, 2007 and 2006, the Company was charged for various services provided by companies controlled by directors and officers of the Company, as follows:

	2007 \$	2006 \$
Accounting and administration	15,500	13,900
Management fees	22,500	22,500
Project supervision	21,000	21,000
Consulting and professional	2,500	-
Directors fees	<u>12,500</u>	<u>-</u>
	<u><u>74,000</u></u>	<u><u>57,400</u></u>

These fees have been either expensed to operations or capitalized to mineral properties and deferred exploration costs based on the nature of the expenditures.

As at July 31, 2007, accounts payable and accrued liabilities include \$38,271 (2006 - \$21,121) due to these related parties.

These transactions were measured at the exchange amount, which was the amount of consideration established and agreed to by related parties.

Other related party transactions are disclosed elsewhere in these interim consolidated financial statements.

10. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities were conducted by the Company during the three months ended July 31, 2007 and 2006 as follows:

	2007 \$	2006 \$
Operating activity		
Accrued payable for mineral properties and deferred exploration costs	<u><u>686,278</u></u>	<u><u>71,208</u></u>

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2007
(Unaudited - Prepared by Management)

10. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

	2007	2006
	\$	\$
Investing activity		
Accounts payable for mineral properties and deferred exploration costs	<u>(686,278)</u>	<u>(71,208)</u>
Other supplemental cash flow information:		
	2007	2006
	\$	\$
Interest paid in cash	<u>-</u>	<u>-</u>
Income taxes paid in cash	<u>-</u>	<u>-</u>

11. SEGMENTED INFORMATION

Substantially all of the Company's operations are in one industry, the exploration for gold. Management reviews the financial results according to expenditures by property. The Company's current mineral properties are located in Argentina and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	July 31, 2007		
	Canada	Argentina	Total
	\$	\$	\$
Identifiable assets			
Current assets	7,204,412	785,276	7,989,688
Plant and equipment	20,860	71,882	92,742
Mineral properties and deferred exploration costs	<u>-</u>	<u>10,448,074</u>	<u>10,448,074</u>
	<u><u>7,225,272</u></u>	<u><u>11,305,232</u></u>	<u><u>18,530,504</u></u>
	April 30, 2007		
	Canada	Argentina	Total
	\$	\$	\$
Identifiable assets			
Current assets	9,814,893	301,818	10,116,711
Plant and equipment	23,964	73,559	97,523
Mineral properties and deferred exploration costs	<u>-</u>	<u>8,061,725</u>	<u>8,061,725</u>
	<u><u>9,838,857</u></u>	<u><u>8,437,102</u></u>	<u><u>18,275,959</u></u>

SCHEDULE I

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED SCHEDULES OF
MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	Three Months Ended July 31, 2007					Year Ended April 30, 2007
	La Fortuna \$	Lonco \$	Oro \$	Others \$	Total \$	Total \$
BALANCE - BEGINNING OF PERIOD	<u>6,868,473</u>	<u>127,046</u>	<u>114,156</u>	<u>952,050</u>	<u>8,061,725</u>	<u>2,968,030</u>
EXPENDITURES DURING THE PERIOD						
EXPLORATION COSTS						
Accounting	2,122	-	-	-	2,122	20,226
Amortization	-	-	-	2,592	2,592	10,509
Assaying	59,054	-	-	-	59,054	100,424
Communications	3,884	-	-	-	3,884	10,945
Drilling	480,437	-	-	-	480,437	2,951,792
Equipment and supplies	-	-	-	-	-	1,027
Excavation	143,716	-	-	-	143,716	227,342
Field personnel and supervision	32,976	140	-	-	33,116	247,758
Geological	44,547	-	-	-	44,547	151,748
Land management	-	-	-	-	-	2,973
Legal	69,054	-	-	-	69,054	73,494
Satellite imagery	3,745	-	-	-	3,745	61,199
Technical report	-	-	-	-	-	17,958
Travel and transportation	54,227	-	-	-	54,227	354,134
Foreign value added tax	-	-	-	299,861	299,861	655,737
	<u>893,762</u>	<u>140</u>	<u>-</u>	<u>302,453</u>	<u>1,196,355</u>	<u>4,887,266</u>
ACQUISITION COSTS						
Option payments	1,089,851	-	-	-	1,089,851	196,671
Mining rights	100,143	-	-	-	100,143	302,695
	<u>1,189,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,189,994</u>	<u>499,366</u>
	<u>2,083,756</u>	<u>140</u>	<u>-</u>	<u>302,453</u>	<u>2,386,349</u>	<u>5,386,632</u>
BALANCE BEFORE WRITE-OFF	8,952,229	127,186	114,156	-	10,448,074	8,354,662
LESS WRITE-OFF	-	-	-	-	-	(292,937)
BALANCE - END OF PERIOD	<u>8,952,229</u>	<u>127,186</u>	<u>114,156</u>	<u>1,254,503</u>	<u>10,448,074</u>	<u>8,061,725</u>

GOLDEN PEAKS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED JULY 31, 2007

Background

This discussion and analysis of financial position and results of operation is prepared as at September 13, 2007 and should be read in conjunction with the interim consolidated financial statements and the accompanying notes for the three months ended July 31, 2007 of Golden Peaks Resources Ltd. (the "Company"). Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com.

Company Overview

The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the trading symbol ("GL"). The Company is a reporting issuer in British Columbia, Alberta and Ontario.

The Company is involved in gold mineral exploration, with its primary assets located in Argentina. The Company's corporate strategy is to acquire properties which have the potential to host large, high-grade gold deposits. The Company has assembled a portfolio of Argentine mineral properties which meet these criteria, and is continuing its focus on the exploration to advance its La Fortuna Gold Project.

As of the date of this MD&A, the Company has not earned any production revenue, nor found any proved reserves on any of its properties.

The Company has filed its Annual Information Form ("AIF") for the fiscal year ended April 30, 2007, which is available on the website www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Exploration Projects

La Fortuna Project, Chubut Province, Argentina

The La Fortuna Project is located in the province of Chubut, Argentina. The project covers approximately 5,000 hectares. In June 2007 the Company completed the schedule of option payments as required under the La Fortuna Option/Purchase Agreement to earn a 100% interest in the La Fortuna project. Under the terms of the agreement the vendor will transfer title of the property to the Company on December 19, 2008, on which date the Company will also be required to pay for all proven and economically recoverable ounces of gold or gold-silver equivalent discovered in excess of 1 million ounces to a maximum of 4 million ounces, at US \$1 per ounce.

The La Fortuna Project covers a large mineral district in which eight zones of structurally controlled gold mineralization have been identified. Old mine workings are also present on the property. The structures, which host the various gold zones, total in aggregate a lineal distance of approximately 15 kilometers. All but one of the eight gold zones have been reconnaissance drilled. (Please refer to the Company's website - <http://www.goldenpeaks.com/i/maps/StructureMap-nocap.jpg>).

On April 30, 2007, the Company reported on drilling progress on the Amphitheatre zone. A diamond drilling program on the #16 structure (18 holes - 2,814 meters) confirmed the presence of a shallow zone of gold mineralization, with local bonanza grades, over a distance of approximately 430 meters. Holes LF- 43, LF-50 and LF-60 cut high grade intersections substantiating the high grade results from the previous drill program (holes LF-16, LF-33, LF-34 and LF-35). Hole LF- 43 encountered multiple gold intersections including 5.00 g/t over 5.5 meters (75.5 to 81.0 meters). In addition, hole LF-50 intersected gold mineralization of 3.15 g/t over 6.0 meters (12.0 to 18.0 meters). Sixteen of the 18 holes intersected gold mineralization.

Several holes intersected gold bearing sub-volcanic intrusive breccias. The potential for a significant gold discovery has been greatly increased with the discovery of gold mineralization associated with pneumatolic breccias which may be rooted in auriferous sub-volcanic intrusives. The pervasive and widespread light coloured argillic alteration of the Amphitheatre, visible on the satellite imagery, is a consequence of these sub-volcanic intrusives which intrude the local andesitic sequence, and associated gold mineralization could be widespread. The overall size and potential of the breccias remain untested at this time.

The #16 structure gold mineralization is hosted in single and multiple, locally friable, pyrite +/- chalcopyrite rich quartz-calcite veins/structures within a wider zone of clay rich, disseminated mineralization. The structure parallels the south boundary of a 350 meter wide zone of high chargeability and coincident high resistivity. The current drill hole density is insufficient to provide reliable data on the size and shape of the gold mineralized shoots, or on the overall volume of the disseminated gold mineralization.

Two concentrations of gold mineralization are currently recognized on the #16 structure: one around hole LF-16 and the second around hole LF-23. The mineralized zone around hole LF-16 is approximately 180 meters long, of variable width and has been drill tested to a maximum depth of 70 meters.

Hole LF-26 indicates the mineralization probably extends a further 150 meters to the southeast, or a total of about 590 meters. In addition, hole LF-60 significantly extended the area of high mineralization to the northwest. The area between these two zones is coincident with a cross cutting magnetic feature, possibly a fault.

Hole #		From (m)	To (m)	Interval (m)	Gold (g/t)
LF-41		11.00	13.00	2.00	1.94
	incl	11.00	12.00	1.00	3.23
		82.00	89.00	7.00	1.26
	incl	86.00	87.00	1.00	3.21
		134.50	136.00	1.50	0.53
		147.00	155.00	8.00	0.56
	163.00	167.00	4.00	0.57	
LF-42		89.00	90.00	1.00	0.55
		128.00	129.00	1.00	0.46
		135.00	136.00	1.00	1.27
		180.00	181.00	1.00	1.28
		182.00	183.00	1.00	0.19
LF-43		47.00	49.00	2.00	0.58
		62.00	64.00	2.00	2.27
		62.00	73.00	11.00	1.26
	incl	67.00	68.00	1.00	7.22
	and	67.00	73.00	6.00	1.56
		75.50	81.00	5.50	5.00
	incl	76.00	78.00	2.00	13.13
		96.00	97.00	1.00	0.37
		104.00	105.00	1.00	0.57
	170.00	180.00	10.00	0.80	
LF-44		51.40	52.50	1.10	0.38
	incl	51.40	51.70	0.30	0.73
		77.60	137.20	59.60	0.35

Hole #	From (m)	To (m)	Interval (m)	Gold (g/t)
LF-45	130.00	130.80	0.80	0.37
LF-46	75.30	76.50	1.20	2.60
	incl 75.30	75.90	0.60	5.02
	114.60	122.50	7.90	1.52
LF-47	PENDING			
LF-48	51.00	59.00	8.00	1.25
	95.60	98.00	2.40	0.37
LF-49	32.00	35.00	3.00	2.49
LF-50	12.00	18.00	6.00	3.15
	incl 12.00	14.80	2.80	6.66
	and 12.00	13.90	1.90	9.14
	and 12.00	12.65	0.65	26.21
	incl 57.00	58.15	1.15	2.14
	57.00	57.50	0.50	3.79
LF-52	86.40	88.40	2.00	0.66
LF-54	61.00	65.10	4.10	1.00
	67.80	70.00	2.20	0.41
	67.80	69.00	1.20	0.54
	69.00	70.00	1.00	0.26
LF-56	15.30	25.00	9.70	0.73
	incl 15.85	20.50	4.65	1.15
	86.00	96.50	10.50	0.27
	incl 87.00	93.50	6.50	0.34
LF-58	108.70	112.30	3.60	0.65
LF-60	31.50	36.00	4.50	1.62
	74.00	77.00	3.00	3.04
	incl 75.00	76.00	1.00	7.04
	100.00	102.00	2.00	1.98
LF-62	100.00	102.00	2.00	2.88
	124.00	125.00	1.00	0.37
	142.50	144.50	2.00	2.10
LF-64	NSV			
LF-66	NSV			

*Drill hole data for the holes reflect down hole core lengths.
True widths cannot be reliably estimated at this time.*

On May 2, 2007, the Company reported results from a 1.5 meter deep back-hoe trench that was excavated and chip sampled in the centre of the T-11 zone:-

3.05 g/t gold over 28.0 meters
including 6.72 g/t gold over 10.0 meters
including 9.34 g/t gold over 6.0 meters
including 13.08 g/t gold over 2.0 meters
and 16.92 g/t gold over 1.0 meters

Trenching did not penetrate through the oxidized zone.

On June 27, 2007, the Company reported drill results from the G zone (10 holes-1,437.6 meters). Drilling has confirmed the presence of shallow mineralization similar to the T-11 zone. The G zone is situated on the intersection of the CR Structure and Amphitheatre-style alteration and sub-volcanic breccias. The G zone is located 1 kilometer from T-11. The widespread presence of gold in this structurally disrupted area is very encouraging and the possibility of multiple zones of gold mineralization is high.

The mineralization, although irregular in shape, is interpreted to dip to the southwest. Possible extensions at similar elevations to the NW and SE have not yet been drill tested - the potential strike length is estimated at 1,200 meters.

Similarly, the possible down dip extension of the mineralization to the southwest has not been drill tested. The deepest intercepts are +/-60 meters.

An area of mineralization approximately 100 X 125 meters has been identified at surface. Holes drilled along strike of the high grade but at lower elevations intersected other zones of mineralization in the footwall below the high grade. Similarly, surface samples collected at the same elevation as the high grade generally contained high grade gold whereas samples collected at lower elevations contained lower grades of gold.

Hole #	From (m)	To (m)	Intersection (m)	Gold (g/t)	Note
LF-68*	49.00	60.00	11.00	3.33	Mineralized zone
including	56.00	59.00	3.00	5.3	
and	57.00	59.00	2.00	6.64	
LF-70*	66.00	88.00	22.00	3.65	Mineralized zone
including	69.00	73.50	4.50	8.58	
and	70.00	73.50	3.50	10.67	
and	79.00	84.00	5.00	6.30	
CRW-9	20.00	61.00	41.00	2.01	Mineralized zone
including	40.00	58.00	18.00	4.19	
and	40.00	54.00	14.00	5.25	
and	47.00	53.00	6.00	8.65	
CRW-10	50.00	145.00	95.00	0.73	Mineralized zone
including	71.00	87.00	16.00	3.76	
and	71.00	82.00	11.00	5.19	
and	72.80	76.70	3.90	11.23	
CRW-11	65.00	87.00	22.00	0.87	Mineralized zone
including	80.00	82.00	2.00	5.89	
and	81.00	82.00	1.00	8.55	
CRW-15	22.00	44.00	22.00	1.56	Mineralized zone
	24.00	26.00	2.00	4.64	
	33.00	36.00	3.00	3.60	
CRW-8	37.00	75.00	38.00	0.87	Footwall zone
including	51.00	58.00	7.00	3.10	
CRW-12	50.00	56.00	6.00	0.44	Footwall zone
	91.00	99.00	8.00	0.27	
	110.00	119.00	9.00	0.17	
CRW-13	55.00	63.00	8.00	1.37	Footwall zone
including	57.00	60.00	3.00	3.01	
	96.00	98.00	2.00	1.35	
CRW-14	61.00	68.00	7.00	0.21	Footwall zone ?
	79.00	95.00	16.00	1.36	
including	86.00	89.00	3.00	4.00	
CRW-7	96.00	112.00	16.00	0.13	Other zone ?
CRW-16	150.00	163.00	13.00	0.56	Other zone ?

* Previously released (Reference: News Release of February 21, 2007).

Drill hole data for the holes reflect down hole core lengths.

True widths cannot be reliably estimated at this time. All holes drilled towards the NE

A “Technical Report on the 2006 -2007 Diamond Drilling Program” on the La Fortuna Project (the “La Fortuna Report”) was prepared in accordance with National Instrument 43-101 (“NI 43-101”) by Kieran Downes, the Company’s President, and a Qualified Person as defined by NI 43-101, with an effective date of July 30, 2007, and is available on the website: www.sedar.com .

The La Fortuna Report recommends a work program of US \$4,250,000 for expansion of geological mapping, trenching, sampling and ground geophysics and additional diamond drilling (13,000 meters) to delineate the T-11, Amphitheatre, G and MB mineralized zones, further test the Alpha, Beta, Delta and Gamma, Tan and Theta mineralized zones and reconnaissance test the ML mineralized zone.

Lonco Project, Neuquén Province, Argentina

The Company is permitting a diamond drilling program on the Pino Andino prospect. Drilling will commence once all permits are in-hand and surface access agreements are in place.

Selected Financial Data

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

	Fiscal 2008		Fiscal 2007			Fiscal 2006		
	Jul. 31 \$	Apr. 30 \$	Jan 31 \$	Oct. 31 \$	Jul. 31 \$	Apr. 30 \$	Jan 31 \$	Oct. 31 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	(525,320)	(386,941)	(736,083)	(960,958)	(162,554)	(764,295)	(219,158)	(170,616)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)	(0.03)	(0.01)	(0.03)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	7,241,258	9,322,291	11,876,273	13,996,146	13,904,545	14,906,162	1,573,175	2,534,607
Total assets	18,530,504	18,275,959	18,207,595	18,185,538	17,864,753	18,327,991	4,108,077	4,027,240
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the three months ended July 31, 2007 (the "2007 period") the Company reported a loss of \$525,320 (\$0.02 per share), compared to a loss of \$162,554 (\$0.01 per share) for the three months ended July 31, 2006 ("2006 period"), an increase in loss of \$362,766. The primary factor for the increase in loss was a \$401,012 increase in stock-based compensation,

Excluding stock-based compensation, general and administrative expenses decreased in the 2007 period by \$85,059, from \$278,871 in the 2006 period to \$193,812 in the 2007 period. The decrease was attributable to the following major categories:

- i) office and general expenses decreased \$12,344 due to increased Company activity in the 2006 period;
- ii) corporate development and shareholder communications expenses decreased by \$71,120 in the 2007 period. In the 2006 period, the Company had increases in news releases and the engagement of third parties to provide web-hosting activities for the Company and access to the European investment and financial community. During the 2006 period, the Company engaged Econ Corporate Services Ltd. to furnish corporate communications at a cost of \$16,823 and Stefan Herbert at a cost of \$71,682;
- iii) \$31,250 decrease in advertising. In the 2006 period the Company had advertising placements made in industry magazine publications. No advertising campaigns were conducted in the 2007 period;
- iv) travel and related costs decreased \$6,471 due to decreased travel by the Company's management; and
- v) \$21,969 decrease in legal fees due to decreased legal services required in the 2007 period. During the 2006 period the Company required legal services for its TSX Exchange listing.

The decrease in general and administrative expenses in the 2007 period was partially offset by increases in the following categories:

- i) \$15,100 increase in consulting fees in fiscal 2007;
- ii) audit fees increased \$11,830 due to increased Company activities and increased regulations in the fiscal year ended April 30, 2007;
- iii) accounting and administration fees increased \$2,808;
- iv) \$12,500 increase in directors' fees. In the 2007 period the Company has accrued directors' fees; and
- v) \$6,645 increase in filings fees and transfer agent fees due to the timing process of the AIF and annual financial statements SEDAR fees.

During the 2007 period the Company earned \$91,800 interest income, a decrease of \$40,338 compared to \$132,138 during the 2006 period due to the higher levels of cash held during the 2006 period compared to the 2007 period. The interest income is derived from short-term investments held with financial institutions based on levels of cash.

During the 2007 period the Company capitalized \$2,083,756 (2006 - \$673,465) on the La Fortuna Project including \$1,089,851 (US \$1.0 million) for the option payment. In addition the Company capitalized \$140 (2006 - \$4,500) on the Lonco Project and \$302,453 (2006 - \$151,908), primarily for foreign value added tax relating to the subsidiary's activities. Detailed discussion of the Company's exploration activities conducted is discussed in "Exploration Projects".

During the 2007 period the Company received \$412,500 on the exercises of stock options and warrants. During the 2006 period no stock options or warrants were exercised.

Financial Condition / Capital Resources

The Company's practice is to proceed with staged exploration, where each stage is dependent on the successful results of the preceding stage. To date the Company has not received any revenues from its mining activities and has relied on equity financing to fund its commitments and discharge its liabilities as they come due. The Company anticipates that it will conduct a US \$4.25 million work program on its La Fortuna Project. As of July 31, 2007, the Company had working capital of \$7,241,258. The Company believes that it has sufficient working capital to meet the anticipated cost of all its future exploration programs and corporate overhead requirements through fiscal 2008.

Off-Balance Sheet Arrangements

Pursuant to the option agreement on the La Fortuna Project the Company must pay US \$1 per ounce of all proven and economically recoverable gold or gold-silver equivalent to the optionor, to a maximum of US \$5 million, of which an initial payment of US \$1 million was paid on June 19, 2007 and the option agreement was considered to be partially exercised and the ownership of the La Fortuna Property will be transferred to the Company on December 19, 2008. At that time the Company will also be required to pay for all additional proven and economically recoverable ounces of gold or gold-silver equivalent discovered in excess of 1 million ounces, to a maximum of 4 million ounces, at US \$1 per ounce. If 4 million ounces have not been discovered by December 19, 2008, the Company will continue to have the obligation to pay US \$1 per ounce for all additional proven and economically recoverable ounces of gold or gold-silver equivalent discovered to a maximum of 4 million ounces.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the April 30, 2007 audited consolidated financial statements.

Changes in Accounting Policies

Effective May 1, 2007 the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments - Recognition and Measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables, or other financial liabilities. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Upon adoption of this new standard, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at July 31, 2007, the Company did not have any financial assets classified as available-for-sale and therefore the adoption of the standards noted above had no effect on the presentation of the Company's financial statements.

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale.

Transactions With Related Parties

During the three months ended July 31, 2007 and 2006, the Company was charged for various services provided by companies controlled by directors and officers of the Company, as follows:

	2007 \$	2006 \$
Accounting and administration	15,500	13,900
Management fees	22,500	22,500
Project supervision	21,000	21,000
Consulting and professional	2,500	-
Directors fees	12,500	-
	<u>74,000</u>	<u>57,400</u>

These fees have been either expensed to operations or capitalized to mineral properties and deferred exploration costs based on the nature of the expenditures.

As at July 31, 2007, accounts payable and accrued liabilities include \$38,271 (2006 - \$21,121) due to these related parties.

These transactions were measured at the exchange amount, which was the amount of consideration established and agreed to by related parties.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in Argentina and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Investor Relations Activities

The Company primarily conducts its investor relations activity in-house. The Company did not engage any outside consultants to provide investor relations activities during the 2007 and 2006 period. The Company maintains a website at www.goldenpeaks.com.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at September 12, 2007, there were 31,163,594 common shares issued, 2,433,000 stock options outstanding, with exercise prices ranging from \$0.55 to \$2.50 per share and 5,983,700 warrants outstanding, with an exercise price of \$2.25 per share.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. In conducting the evaluation it has become apparent that management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Management intends to formalize certain of its procedures. Due to the small staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures. Lapses in the disclosure controls and procedures could occur and/or mistakes could happen. Should such occur, the Company will take whatever steps necessary to minimize the consequences thereof.

Internal Controls and Procedures over Financial Reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. During the process of management's review and evaluation of the design of the Company's internal control over financial reporting, it was determined that certain weaknesses existed in internal controls over financial reporting. As is indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring which exists. The Company is taking steps to augment and improve the design of procedure and controls impacting these areas of weakness over internal control over financial reporting. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.