

HIDEFIELD GOLD plc

Interim Report

Six months ended

30 June 2007

Hidefield Gold Plc

Interim Report for the six months ended 30 June 2007

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Hidefield Gold Plc

Interim Report for the six months ended 30 June 2007

Highlights

1. Mineral resource estimate received on the Don Nicolas project confirming mineral resource of 1,214,000 tonnes at 7.7 grammes per tonne (“gpt”) gold containing 301,600 ounces of gold using a high grade cut of 90 gpt gold.
2. Mineral resource of 383,400 ounces gold at 9.8 gpt without high grade cut off.
3. Mineral resource estimated on only six veins at La Paloma and Martinetas sectors of the Don Nicolas project.
4. Pre-feasibility report on Don Nicolas project expected during October.
5. Phase III drilling programme at Don Nicolas project set to commence.
6. Joint ventures concluded on South Estelle project, Alaska and Sumidouro Dome project, Brazil.

Hidefield Gold Plc

Interim Report for the six months ended 30 June 2007

Executive Chairman's Statement

I am pleased to report to you on the progress your Company made during 2007 to date and provide the interim accounts for the six months ended on 30 June.

With effect from 1 January, 2007, Hidefield made the transition to preparing financial statements in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. Accordingly, these interim accounts reflect assumptions made by your Board about the Standards and Interpretations expected to be effective, and the policies expected to be adopted, when the Company issues its first complete set of IFRS financial statements for the group for the year ending 31 December 2007.

The unaudited results of our activities and transactions completed during the period under review and ended 30 June 2007 reflect a significant increase in our activities in Argentina and consequently resulted in a loss before taxation of £730,732 (2006: £638,155).

Argentina

During the first six months of 2007, the Company continued with important exploration activities at its flagship project in Santa Cruz province, Argentina which has recently been renamed the "Don Nicolas" project in honour of Senor Nicolas Urricelqui, the former owner of the La Paloma Estancia, one of three large ranches totalling approximately 70,000 hectares that the Company now owns as freehold land covering a significant portion of the areas held under exploration licence. Senor Urricelqui is a lifetime resident of the region, a prominent and much respected local citizen and enthusiastic supporter of the Company's activities in the region.

In parallel with this activity the Company pressed ahead with work in connection with the finalisation of the Company's pre-feasibility study for the Don Nicolas project. I am pleased to confirm that the pre-feasibility report should be finalised in October following our recent receipt of the mineral resource estimate on the project.

This mineral resource estimate confirmed that drilling to date has demonstrated a mineral resource of 1,214,000 tonnes at 7.7 gpt gold containing 301,600 ounces of gold, which was estimated using a high grade cut of 90 gpt gold. The mineral resource estimate was carried out for the Company by Resource Evaluations Pty. Ltd. of Perth, Australia, an independent consultant engaged for the purpose of completing the report, and was prepared in compliance with the Australasian Code for Reporting of Mineral Resources by the Joint Ore Reserves Committee ("JORC").

The mineral resource estimate comprised Indicated and Inferred categories distributed among six vein sets all located in the La Paloma and Martinetas sectors of the Don Nicolas project area. If no high grade cut is applied, the grade of mineral resource estimate increases to 9.8 gpt gold and contains 383,400 ounces gold.

Argentina is now the principal focus of the Company's direct exploration activity, which generally has been designed to increase gold resources and prepare for pre-development activities on the Don Nicolas project. The assay results we have received to date, and for the most part now published in recent stock exchange releases, have clearly added significantly to the estimated resources on these properties at the time of acquisition.

With the recent announcement of our third drilling programme, which is soon to commence, we are optimistic that we will continue to increase the resource estimate for this project and move closer to achieving our objective of building a profitable mine.

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Interim Report for the six months ended 30 June 2007

Executive Chairman's Statement (*continued*)

Brazil and Alaska

As a consequence of our focus on activities in Argentina, we have sought to extract value from our projects in Brazil and Alaska. I am pleased to report that we have made considerable progress in achieving this objective with joint ventures now secured on the Sumidouro Dome project in Brazil and the South Estelle project in Alaska. These joint ventures have already enabled us to release personnel and financial resources that we have applied in advancing the Don Nicolas project in Argentina.

We are also progressing discussions over possible joint ventures on the Cata Preta project in Brazil and on the Golden Zone project in Alaska and are optimistic that we will successfully conclude important joint ventures on these advanced stage projects.

The Board is very encouraged by the considerable progress we have made in building shareholder value through our recent exploration activities in Argentina and our corporate initiatives through joint ventures in Brazil and Alaska. None of this could be achieved without the significant effort of my colleagues on the Board, our talented associates and employees in North and South America and the continued support of our shareholders who have provided us with the resources to invest in the activities reflected in this statement.

This support included approximately £2 million in new equity which we raised during the first quarter of the year from existing and new shareholders with the assistance of our brokers, Landsbanki Securities (UK) Limited. As in the past, we have gone on to supplement our financial resources with the sale of our investment in Latin American Minerals Inc. which resulted in proceeds in the period under review of £208,823 representing a profit of £150,576 on our original modest investment.

On behalf of the Board I wish to thank all of our people and our shareholders for their continued efforts and support and look forward with optimism to reporting to you at the year end on further drilling results from Argentina and the results of the pre-feasibility study expected early in the fourth quarter.

Kenneth P Judge
Chairman
27 September 2007

Hidefield Gold Plc

Consolidated income statement for the six months ended 30 June 2007

	6 months ended 30 June 2007 (Unaudited) £	6 months ended 30 June 2006 (Unaudited) £	Year ended 31 December 2006 (Unaudited) £
Provision for diminution in value of mineral rights	-	-	(955,602)
Exploration expenses	(45,954)	(430)	(48,329)
Administrative expenses	(628,652)	(605,065)	(1,037,790)
Loss from operations	(674,606)	(605,495)	(2,041,721)
Share of operating loss in associates	(118,232)	(146,071)	(301,509)
Gain (loss) on deemed disposal re associates	20,167	60,681	73,436
Loss on deemed disposal re financial assets	-	(37,719)	(37,719)
Surplus on revaluation of financial assets	-	68,841	67,862
Profit on sale of financial assets	26,313	-	14,085
Finance income	15,626	21,608	48,453
Loss before taxation	(730,732)	(638,155)	(2,177,113)
Taxation expense	-	-	-
Loss after taxation	(730,732)	(638,155)	(2,177,113)
Loss per ordinary share – basic and diluted	(0.28p)	(0.35p)	(1.01p)

All amounts included above relate to continued operations

Hidefield Gold Plc**Consolidated balance sheet at 30 June 2007**

	At 30 June 2007 (Unaudited) £	At 30 June 2006 (Unaudited) £	At 31 December 2006 (Unaudited) £
Non-current assets			
Property, plant and equipment	251,364	94,272	268,805
Mineral rights	6,617,779	5,492,510	6,532,761
Investments in associates	2,205,163	2,353,002	2,235,035
Financial assets	10,540	391,796	194,583
	<u>9,084,846</u>	<u>8,331,580</u>	<u>9,231,184</u>
Current assets			
Trade and other receivables	802,467	729,084	1,077,485
Cash and cash equivalents	1,686,204	2,254,169	344,164
	<u>2,488,671</u>	<u>2,983,253</u>	<u>1,421,649</u>
Total assets	<u>11,573,517</u>	<u>11,314,833</u>	<u>10,652,833</u>
Current liabilities			
Trade and other payables	418,276	465,419	657,188
	<u>418,276</u>	<u>465,419</u>	<u>657,188</u>
Net assets	<u>11,155,241</u>	<u>10,849,414</u>	<u>9,995,645</u>
Capital and reserves			
Share capital	2,754,773	2,322,121	2,447,121
Shares to be issued	-	150,000	-
Share premium account	12,345,263	10,591,297	10,675,940
Other reserves	3,538,720	2,568,996	3,426,885
Foreign currency translation reserve	(951,456)	(520,633)	(752,975)
Deficit	(6,532,059)	(4,262,367)	(5,801,326)
	<u>11,155,241</u>	<u>10,849,414</u>	<u>9,995,645</u>
Total equity	<u>11,155,241</u>	<u>10,849,414</u>	<u>9,995,645</u>

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Consolidated cash flow statement for the six months ended 30 June 2007

	6 months ended 30 June 2007 (Unaudited) £	6 months ended 30 June 2006 (Unaudited) £	Year ended 31 December 2006 (Unaudited) £
Cash flows from operating activities			
Loss from operations	(674,606)	(605,495)	(2,041,721)
Depreciation	9,969	1,169	10,062
Provision for impairment	-	-	955,602
Share based payment costs	42,864	18,407	63,400
Directors remuneration paid by issue of shares	2,940	2,813	2,813
Exchange differences	(4,385)	5,642	(61,830)
Operating loss before changes in working capital	(623,218)	(577,464)	(1,071,674)
Decrease (increase) in debtors	238,980	(479,070)	(672,763)
(Decrease) increase in creditors	(223,042)	87,265	183,586
Net cash outflow from operations	(607,280)	(969,269)	(1,560,851)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(1,531)	-	(205,643)
Acquisition of associate investments	(112,742)	(407,386)	(407,416)
Acquisition of subsidiary (net of cash acquired)	-	(581,879)	(581,879)
Acquisition of financial assets	-	-	(13,499)
Interest received	15,626	21,608	48,453
Mineral rights acquisition and development	(181,372)	(438,346)	(1,849,604)
Sale of financial assets	208,823	-	211,170
Sale of property, plant and equipment	-	-	376
Net cash outflow used in investing activities	(71,196)	(1,406,003)	(2,798,042)
Cash flows from financing activities			
Issue of ordinary shares	2,130,000	4,051,251	4,051,251
Capital raising costs	(85,464)	(201,352)	(201,352)
Net cash inflow from financing activities	2,044,536	3,849,899	3,849,899
Net increase (decrease) in cash	1,366,060	1,474,627	(508,994)
Cash at start of period	344,164	980,445	980,445
Effect of exchange rate changes on cash	(24,020)	(200,903)	(127,287)
Cash at end of period	1,686,204	2,254,169	344,164

Hidefield Gold Plc**Consolidated statement of recognised income and expense for the six months ended 30 June 2007**

	6 months ended 30 June 2007 (Unaudited) £	6 months ended 30 June 2006 (Unaudited) £	Year ended 31 December 2006 (Unaudited) £
Exchange translation differences on consolidation of Group entities	(198,481)	(136,239)	(368,581)
Deficit on revaluation of financial assets	(1,532)	(17,646)	(16,950)
	<hr/>	<hr/>	<hr/>
Income and expense recognised directly in equity	(200,013)	(153,885)	(385,531)
Loss for the financial period	(730,732)	(638,155)	(2,177,113)
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Total recognised income and expense for the financial period	(930,745)	(792,040)	(2,562,644)
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Consolidated statement of changes in equity for the six months ended 30 June 2007

	6 months ended 30 June 2007 (Unaudited) £	6 months ended 30 June 2006 (Unaudited) £	Year ended 31 December 2006 (Unaudited) £
Opening balance as restated	9,995,645	4,916,753	4,916,753
Total recognised loss for the period	(930,745)	(792,040)	(2,562,644)
Issue of shares	2,059,492	6,820,501	7,630,144
Share issue costs	(85,463)	(201,352)	(201,352)
Issue of warrants	73,448	87,144	149,344
Employee share options charged to income statement	42,864	18,408	63,400
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Closing balance	(11,155,241)	(10,849,414)	(9,995,645)
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1. Accounting policies

Accounting policies adopted under IFRS

These interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The basis of preparation and accounting policies used in preparing the interim accounts for the six months ended 30 June 2007 are set out below. The basis of preparation describes how IFRS has been applied under IFRS 1, the assumptions made by the Group about the Standards and Interpretations expected to be effective, and the policies expected to be adopted, when the Group issues its first complete set of IFRS financial statements for the year ending 31 December 2007.

Basis of preparation

The financial information for the six months ended 30 June 2007, six months ended 30 June 2006 and the year ended 31 December 2006 is unaudited and within the meaning of section 240 of the Companies Act 1985, such accounts do not constitute full statutory accounts of the Company.

The accounting policies which follow set out those policies which are expected to apply in preparing the financial statements for the year ended 31 December 2007. These policies have been followed in producing these interim statements.

The financial statements are presented in Great British Pounds (‘GBP’) and all values are rounded to the nearest pound (£) except when otherwise indicated.

The financial statements have been prepared under the historical cost convention, except for financial assets, which are carried at fair value.

The comparative figures for the year ended 31 December 2006 are not the statutory financial statements of the Group for that financial period. Those financial statements, which were prepared under UK Generally Accepted Accounting Principles, have been reported on by the Company’s auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements will be consistent with those that will be followed in the preparation of the Company's annual financial statements for the year ending 31 December 2007, including the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2007:

<i>International Accounting Standards (IAS/IFRS)</i>	<i>Effective date</i>
• IFRS 7 - Financial Instruments	1 January 2007
• IAS 1 - Amendment – Presentation of financial statements: capital disclosures	1 January 2007
<i>International Financial Reporting Interpretations Committee (IFRIC)</i>	<i>Effective date</i>
• IFRIC 7 - Applying the restatement approach under IAS 29, 'Financial reporting in hyperinflationary economies'	1 January 2007
• IFRIC 8 - Scope of IFRS 2 (Share Based Payments)	1 January 2007
• IFRIC 9 - Reassessment of embedded derivatives	1 January 2007
• IFRIC 10 - Interim financial reporting and impairment	1 January 2007

The adoption of these amendments did not affect the Company's results of operations or financial positions.

The IASB and IFRIC have issued the following standards, amendments and interpretations which are effective for reporting periods beginning after the date of these financial statements:

<i>International Accounting Standards (IAS/IFRS)</i>	<i>Effective date</i>
• IAS 23 - Amendment – Borrowing costs	1 January 2009
• IFRS 8 - Operating segments	1 January 2009
• IAS 1 - Amendment – presentation of financial statements: a revised presentation	1 January 2009
<i>International Financial Reporting Interpretations Committee (IFRIC)</i>	<i>Effective date</i>
• IFRIC 11 - (IFRS 2) Group and treasury share transactions	1 January 2008
• IFRIC 12 - Service concession arrangements	1 January 2008
• IFRIC 13 - Customer loyalty programmes	1 January 2009
• IFRIC 14 - (IAS 19) The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2008

The Company is evaluating the impact of the above pronouncements but they are not expected to be material to the Company's earnings or to shareholders' funds.

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Notes forming part of the interim report for the six months ended 30 June 2007

2 Loss per share

The basic loss per share is calculated on the loss attributable to shareholders of the Company and on ordinary shares being the weighted average number of ordinary shares in issue during the period. The diluted earnings per share is calculated on the loss attributable to equity shareholders and on the weighted average diluted number of ordinary shares during the period.

	Six months to 30 June 2007	Six months to 30 June 2006	Year ended 31 December 2006
(Loss) per share – basic and diluted	(0.28p)	(0.35p)	(1.01p)
	£	£	£
(Loss) attributable to equity shareholders	(730,732)	(638,155)	(2,177,113)
Weighted average number of ordinary shares at period end	264,395,796	183,874,717	210,637,270

There were no potential dilutive shares in issue during any of the above periods.

3 Transition to IFRS

The financial information for the six months ended 30 June 2006, the year ended 31 December 2006 and the opening balance sheet at 1 January 2006 have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time.

The Company's transition date to IFRS is 1 January 2006. The rules for first-time adoption of IFRS are set out in IFRS 1 'First time adoption of international reporting standards'. In preparing the IFRS financial information, these transition rules have been applied to the amounts reported previously under generally accepted accounting principles in the United Kingdom ('UK GAAP'). IFRS 1 generally requires full retrospective application of the Standards and Interpretations in force at the first reporting date. However, IFRS 1 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

i) Changes in presentation of financial information:

- IAS 1: The form and presentation of the UK GAAP financial statements has been changed to be compliant with IAS 1.
- IAS 16: 'Tangible fixed assets' has been renamed 'Property, plant & equipment'
- IAS 7: Cash flows under IFRS are presented within the Cash Flow Statement under three main headings: cash flows from operating activities, from investing activities and from financing activities. This has led to some presentational changes compared to UK GAAP. There is no change to the net movement of cash and cash equivalents.

ii) Changes in accounting policies:

- IAS 12: Under UK GAAP, deferred tax was recognised on the basis of timing differences (subject to certain exemptions). Under IAS 12, deferred tax is recognised on the basis of taxable temporary difference (subject to certain exceptions). Temporary differences include all timing differences and many permanent differences. This change has had no effect on any of the figures reported herein.
- Under IAS 39 the trade investments which are deemed to be held for short term gain are fair valued through the profit and loss account as opposed to being held at historical cost under UK GAAP. The change arising from the adoption of IAS 39 are included in the restatements for IFRS which follow.
- Those trade investments which are not held for short term gain and are categorised as an "available-for-sale" financial asset are restated at fair value on the balance sheet date as opposed to being held at historical cost under UK GAAP. The gain on revaluing the asset is held under a 'Financial Asset revaluation reserve' in Capital and Reserves. The changes arising are included in the restatements for IFRS which follow.
- Under IAS 21, Foreign exchange translation differences on overseas operations that previously had gone to retained earnings / (deficit) under UK GAAP now have to be shown as a separate component of equity (currency translation reserve). The change arising from the adoption of IAS 21 are included in the restatements for IFRS which follow.
- The Group has chosen to adopt IFRS 3 prospectively from the date of transition and not restate historic business combinations from before this date. Business combinations from the date of transition are accounted for under IFRS 3 using the purchase method.

iii) Reconciliation of UK GAAP to IFRS:

- For the period ended 30 June 2006 and the year ended 31 December 2006 there are differences between the income statement and balance sheet amounts reported under UK GAAP and IFRS as noted on the following pages. There are also differences under UK GAAP and IFRS for the opening balance sheet on transition (as at 1 January 2006). There is no monetary impact on the cash flow statement due to the adoption of IFRS for these above periods, nor to the restatement in the previously reported UK GAAP figures for the six months ended 30 June 2006 as detailed in note 4.

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Notes forming part of the interim report for the six months ended 30 June 2007

Consolidated financial information for the six months ended 30 June 2006

	As originally reported £	Restate per note 4 £	Restated UK GAAP £	Restate for IFRS £	IFRS £
Balance sheet					
Non-current assets					
Property, plant and equipment	94,272	-	94,272	-	94,272
Mineral rights	5,355,453	137,057	5,492,510	-	5,492,510
Investments in associates	2,292,321	60,681	2,353,002	-	2,353,002
Financial assets	141,393	-	141,393	250,403	391,796
	<u>7,883,439</u>	<u>197,738</u>	<u>8,081,177</u>	<u>250,403</u>	<u>8,331,580</u>
Current assets					
Trade and other receivables	484,858	244,226	729,084	-	729,084
Cash and cash equivalents	2,254,169	-	2,254,169	-	2,254,169
	<u>10,622,466</u>	<u>441,964</u>	<u>11,064,430</u>	<u>250,403</u>	<u>11,314,833</u>
Total assets					
Current liabilities					
Trade and other payables	(221,193)	(244,226)	(465,419)	-	(465,419)
	<u>(221,193)</u>	<u>(244,226)</u>	<u>(465,419)</u>	<u>-</u>	<u>(465,419)</u>
Total liabilities					
	<u>10,401,273</u>	<u>197,738</u>	<u>10,599,011</u>	<u>250,403</u>	<u>10,849,414</u>
Net assets					
Capital and reserves					
Share capital	2,322,121	-	2,322,121	-	2,322,121
Shares to be issued	150,000	-	150,000	-	150,000
Share premium account	12,996,663	(2,405,366)	10,591,297	-	10,591,297
Other reserves	-	2,563,070	2,563,070	5,926	2,568,996
Foreign currency translation reserve	-	-	-	(520,633)	(520,633)
Deficit	(5,067,511)	40,034	(5,027,477)	765,110	(4,262,367)
	<u>10,401,273</u>	<u>197,738</u>	<u>10,599,011</u>	<u>250,403</u>	<u>10,849,414</u>
Total Equity					

Hidefield Gold Plc**Notes forming part of the interim report for the six months ended 30 June 2007****Consolidated financial information for the six months ended 30 June 2006**

	As originally reported £	Restate per note 4 £	Restated UK GAAP £	Restate for IFRS £	IFRS £
Income statement					
Exploration expenses	(430)	-	(430)	-	(430)
Administrative expenses	(586,658)	(18,407)	(605,065)	-	(605,065)
Loss from operations	(587,088)	(18,407)	(605,495)	-	(605,495)
Share of operating loss in associates	(146,071)	-	(146,071)	-	(146,071)
Gain on deemed disposal re associates	-	60,681	60,681	-	60,681
Gain (loss) on deemed disposal re financial assets	-	49,913	49,913	(87,632)	(37,719)
Surplus on revaluation of financial assets	-	-	-	68,841	68,841
Finance income	21,608	-	21,608	-	21,608
Loss before taxation	(711,551)	92,187	(619,364)	(18,791)	(638,155)
Taxation expense	-	-	-	-	-
Loss after taxation	(711,551)	92,187	(619,364)	(18,791)	(638,155)
Loss per ordinary share – basic and diluted	(0.39p)		(0.34p)		(0.35p)

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Notes forming part of the interim report for the six months ended 30 June 2007

Consolidated financial information for the year ended 31 December 2006

	UK GAAP	Restate	IFRS
	£	for IFRS	£
		£	£
Balance sheet			
Non-current assets			
Property, plant and equipment	268,805	-	268,805
Mineral rights	6,532,761	-	6,532,761
Investments in associates	2,235,035	-	2,235,035
Financial assets	63,698	130,885	194,583
	<u>9,100,299</u>	<u>130,885</u>	<u>9,231,184</u>
Current assets			
Trade and other receivables	1,077,485	-	1,077,485
Cash and cash equivalents	344,164	-	344,164
	<u>1,421,649</u>	<u>-</u>	<u>1,421,649</u>
Total assets	<u><u>10,521,948</u></u>	<u><u>130,885</u></u>	<u><u>10,652,833</u></u>
Current liabilities			
Trade and other payables	(657,188)	-	(657,188)
	<u>(657,188)</u>	<u>-</u>	<u>(657,188)</u>
Total liabilities	<u><u>(657,188)</u></u>	<u><u>-</u></u>	<u><u>(657,188)</u></u>
Net assets	<u><u>9,864,760</u></u>	<u><u>130,885</u></u>	<u><u>9,995,645</u></u>
Capital and reserves			
Share capital	2,447,121	-	2,447,121
Share premium account	10,675,940	-	10,675,940
Other reserves	3,420,263	6,622	3,426,885
Foreign currency translation reserve	-	(752,975)	(752,975)
Deficit	(6,678,564)	877,238	(5,801,326)
	<u>9,864,760</u>	<u>130,885</u>	<u>9,995,645</u>
Total equity	<u><u>9,864,760</u></u>	<u><u>130,885</u></u>	<u><u>9,995,645</u></u>

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Notes forming part of the interim report for the six months ended 30 June 2007

Consolidated financial information for the year ended 31 December 2006

	UK GAAP £	Restate for IFRS £	IFRS £
Income statement			
Provision for diminution in value of mineral rights	(955,602)	-(955, 602,062)	
Exploration expenses	(48,329)	-	(48,329)
Administrative expenses	(1,037,790)	-	(1,037,790)
	<hr/>	<hr/>	<hr/>
Loss from operations	(2,041,721)	-	(2,041,721)
Share of operating loss in associates	(301,509)	-	(301,509)
Gain on deemed disposal re associates	73,436	-	73,436
Gain (loss) on deemed disposal re financial assets	49,913	(87,632)	(37,719)
Surplus on revaluation of financial assets	-	67,862	67,862
Profit (loss) on sale of financial assets	133,320	(119,235)	14,085
Finance income	48,453	-	48,453
	<hr/>	<hr/>	<hr/>
Loss before taxation	(2,038,108)	(139,005)	(2,177,113)
Taxation expense	-	-	-
	<hr/>	<hr/>	<hr/>
Loss after taxation	(2,038,108)	(139,005)	(2,177,113)
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Loss per ordinary share – basic and diluted	(0.97p)		(1.01p)
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Notes forming part of the interim report for the six months ended 30 June 2007

Consolidated financial information as at 1 January 2006

	UK GAAP £	Restate for IFRS £	IFRS £
Balance sheet			
Non-current assets			
Mineral rights	1,368,780	-	1,368,780
Investments in associates	2,055,720	-	2,055,720
Financial assets	353,108	286,840	639,948
	<u>3,777,608</u>	<u>286,840</u>	<u>4,064,448</u>
Current assets			
Trade and other receivables	250,014	-	250,014
Cash and cash equivalents	980,445	-	980,445
	<u>5,008,067</u>	<u>286,840</u>	<u>5,294,907</u>
Total assets			
	<u>5,008,067</u>	<u>286,840</u>	<u>5,294,907</u>
Current liabilities			
Trade and other payables	(378,154)	-	(378,154)
	<u>(378,154)</u>	<u>-</u>	<u>(378,154)</u>
Total liabilities			
	<u>(378,154)</u>	<u>-</u>	<u>(378,154)</u>
Net assets			
	<u>4,629,913</u>	<u>286,840</u>	<u>4,916,753</u>
Capital and reserves			
Share capital	1,524,488	-	1,524,488
Shares to be issued	150,000	-	150,000
Share premium account	7,175,147	-	7,175,147
Other reserves	52,153	23,572	75,725
Foreign currency translation reserve	-	(384,394)	(384,394)
Deficit	(4,271,875)	647,662	(3,624,213)
	<u>4,629,913</u>	<u>286,840</u>	<u>4,916,753</u>
Total equity			
	<u>4,629,913</u>	<u>286,840</u>	<u>4,916,753</u>

4 Restatement of reported figures for 6 months to 30 June 2006

The following adjustments have been made to the figures previously reported for the six months ended 30 June 2006:

Adjustments to the consolidated income statement

- a) A gain of £49,913 on the deemed disposal of the groups' investment of Piper Capital Inc has been included.
- b) A gain of £60,681 on the deemed disposal re associates has been included.
- c) An amount of £18,407 has been charged to administrative expenses in respect of an increase in personnel costs regarding share options, following the adoption of FRS20.

Adjustments to the consolidated balance sheet

- d) £49,913 has been added to the cost of mineral rights, relating to the fair valuing of Piper Capital shares on the purchase of Hidefield Gold (Alaska) Inc (see note a) above).
- e) £60,681 has been added to the investment in associates relating to the deemed disposal included following the change in the group's interest in the associates.
- f) During 2005, an amount of £244,266, equivalent to Cdn\$500,000 was withheld by the purchaser of the Group's mineral properties at Groundhog and Trefi, in relation to potential tax on the sale. This amount was written off as taxation in the 2005 accounts. In addition, however, the balance sheet should have shown a debtor for the amount due to be received and a creditor for the taxation payable. The debtor and creditor have now been included in the restated figures.
- g) £87,144 has been added to the cost of mineral rights, relating to the inclusion of the valuation of warrants issued to the vendor, following the adoption of FRS20. The value of £87,144 has been credited to the warrant reserve (included within reserves).
- h) £70,560 has been credited to the share option reserve (included within other reserves) following the adoption of FRS20, with a corresponding charge to the profit and loss account, £52,153 in respect of previous periods and £18,407 for the period under review (see note c) above).
- i) £2,405,366 has been transferred out of share premium account and into a merger reserve, which is included in other reserves, relating to the premium on the issue of shares for the acquisition of Hidefield Argentina SA and Hidefield Gold (Alaska) Inc.