

2007

Birim Goldfields Inc.

.....
***Second Quarter
Interim Report
September 30, 2007***

1155 University Street, Suite 812
Montreal, Quebec H3B 3A7
Tel.: (514) 393-8611 Fax: (514) 393-1158
e-mail: info@birim.com
Web site: www.birim.com



Birim Goldfields Inc.

Second Quarter Interim Report As at September 30th, 2007

President's Message

The quarter ended September 30th, 2007, has been marked by a particularly heavy rainy season which hampered our progress in the field on our exploration properties in Ghana and Burkina Faso, West Africa. The rains this year have been heavier than they have been for 20 years; precluding any of the drill follow up we had planned. We did however receive the results from the drilling program completed at the tail of the last quarter on our newly acquired Sangolo property in Burkina Faso. In Ghana our field crews have been able to carry out trenching and soil sampling on a number of prospects on both our Sefwi Belt and Bui Belt properties.

Newmont Agreement

On 28th August 2007 we announced that Birim had concluded a significant two part transaction with Newmont Gold Ghana Limited. The agreement comprised: 1) a joint venture on our Banda Ahenkro property on the Sefwi Belt; 2) the waiver of a historical back-in right held by Newmont on Birim's prospecting licenses located within the area of the old Bui reconnaissance license. In exchange for the waiver, Birim has granted Newmont an initial 49% equity interest in Birim's Banda Ahenkro Property on the Sefwi Belt. Newmont will have the right to earn another 21% (up to 70%) by spending US\$1,500,000 on exploration over four years and another (up to 80%) by completing a feasibility study on the property.

This is a positive development for Birim as we now have the world's No. 2 gold producer and a major producer in Ghana as a partner on the Banda Ahenkro property. We will undoubtedly benefit from Newmont's proven technical expertise that has grown the overall total resources for their nearby Ahafo Mine from around 7Moz to just over 18Moz in little over 5 years. On the Bui Belt, the extinction of the back-in right enables us to entertain existing expressions of interest as well as solicit other selected parties to participate in joint ventures on several of the Bui properties, thereby maximizing the current leverage we have on the 15 "cherry picked" prospecting licenses we hold on the Bui Belt. It will mean additional resources and funds will be available to direct at exploration on a greater number of properties with existing defined targets than we can practically cover on our own. More targets tackled in a shorter timeframe should enhance our chance of exploration success in the short term.

Sangolo Property – Houndé Belt, Burkina Faso

We are encouraged by the results we received from the initial drilling phase comprising 24 reverse circulation ("RC") holes for 1,592 meters on two prospects (**Baobab and Acacia**) on Birim's 223 km² Sangolo license. The drilling confirmed the intense alteration signatures associated with the structures drilled in proximity to extensive artisanal workings at both prospects. Several narrow, high grade intersections were returned including 1m @ 20.80 g/t Au, 10m @ 1.32 g.t Au and 1m @ 6.58 g/t gold at Baobab and 1m @ 9.50 g/t Au at Acacia.

At the Baobab Prospect, the geological interpretation from the scout drilling indicates that the intersected mineralized veins trend obliquely to the drill sections. It is possible that additional parallel en echelon veins would be intersected in holes drilled orthogonal to the existing scout sections within the extensive area of the artisanal workings at Baobab. In addition, soil sampling at this prospect has yielded a large gold anomaly on the eastern extension of the mineralized structure beyond the area of the artisanal workings. Encouraging results were also achieved at the Acacia Prospect. Clearly, further drilling is required to assess both prospects along the full extent of the kaolinite alteration that typify the mineralized zones.

Bui Belt, Ghana

On the Tinga property trenching and soil sampling is underway at **Tinga B Prospect** and **Tinga C Prospect** where the initial scout drilling indicated mineralized structures within 2km of the **Tinga Far East Prospect**. Independent geological consultants, Coffey Mining (previously RSG Global) have provided

Birim with the draft report which will deliver a NI43-101 compliant resource estimate for Tinga Far East. The resource estimate will be released as soon as it has been concluded and signed off by Coffey Mining.

Soil sampling, rock chip sampling and trenching have been carried out on the Cluster property, resulting in the southward extension of the **Chert Ridge Prospect** by another 3km onto the adjacent Krachikrom property. The Chert Ridge Prospect has now been defined over 12km along strike. Another node of higher grade anomalism, similar to Areas 1, 2 and 3 has been identified on this extension of the prospect. Follow up soil sampling has also been undertaken in two anomalous areas previously identified during regional programs on the Banda Nkwanta property

Bibiani-Sefwi Belt, Ghana

On our Techimentia property, infill soil geochemistry continues on three targets in order to refine the anomalies defined during the regional soil sampling program. These targets coincide with potentially prospective structures defined from the interpretation of airborne geophysical data. Similar structures host the multiple deposits that comprise Newmont's world class Ahafo Gold project located to the west and south of the Techimentia property.

A gold-in-soil anomaly has been identified on a structure that coincides with the interpreted extension of the structure that hosts Newmont's Ahafo Mine deposits on the **Saneso Grid** on the Nkenkasu property. The low level of anomalism returned from regional soil sampling on the Bia Tano property has been disappointing and consequently we have not renewed this license and will complete the terminal report before handing the property back to the Minerals Commission.

Looking forward, Birim will have drilling programs lined up for both the Baobab and Acacia prospects on the Sangolo property in Burkina Faso as well as for Chert Ridge, Tinga and Tombe prospects on the Bui Belt in Ghana. In addition scout drilling on other drill ready targets on the Bui Belt will be undertaken when we gain access to our prospects after the rainy season and we have secured drill contracts.

As of September 30th, 2007, the number of common shares outstanding for Birim was 67,631,186. The Company has a solid financial position with approximately \$3.1 million CAD in cash and no debt.

On behalf of the management and Board of Birim Goldfields Inc., I thank you for your continued support. We are looking forward to another active and exciting quarter ahead.

Victor J. King
President and Chief Executive Officer
November 1st, 2007

Birim Goldfields Inc.
 (An exploration Company)
Consolidated Balance Sheets

	September 30, 2007 (unaudited)	March 31, 2007 (audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 3,160,059	\$ 2,391,579
Portfolio investments (Note 3)	910,136	-
Accounts receivable	58,064	78,110
Prepaid expenses	62,827	147,164
	<u>4,191,086</u>	<u>2,616,853</u>
Property, plant and equipment (Note 4)	372,317	422,335
Mining interests (Note 5)	20,380,343	18,865,199
	<u>\$ 24,943,746</u>	<u>\$ 21,904,387</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 134,559	\$ 417,200
	<u>134,559</u>	<u>417,200</u>
Shareholders' Equity		
Share Capital (Note 6)	35,388,357	32,235,967
Options (Note 6)	554,834	712,339
Warrants (Note 6)	368,391	892,143
Contributed Surplus (Note 6)	931,024	739,429
Deficit	(12,590,891)	(13,092,691)
Accumulated Other Comprehensive Income (Note 3)	157,472	-
	<u>24,809,187</u>	<u>21,487,187</u>
	<u>\$ 24,943,746</u>	<u>\$ 21,904,387</u>

See accompanying notes

Birim Goldfields Inc.

(An exploration Company)

Consolidated Statements of Operations and Deficit

(unaudited)

	Three-month period ended September 30		Six-month period ended September 30	
	2007	2006	2007	2006
Revenues				
Gain on disposal of a mining property	\$ 752,664	\$ -	\$ 752,664	\$ -
Interest income, net	34,337	51,295	71,536	68,486
	787,001	51,295	824,200	68,486
Administrative expenses				
Salaries and fringe benefits	47,606	45,721	96,762	117,785
Office and general	55,381	46,277	95,617	107,195
Professional and consulting fees (Note 7)	40,187	30,139	84,326	60,523
Travel and entertainment	15,153	45,776	26,589	73,121
Rent (Note 7)	9,567	9,375	19,106	18,750
Stock - based compensation cost (Note 6)	-	-	-	179,604
Tax	-	46,700	-	46,700
	167,894	223,988	322,400	603,678
Net income (loss)	619,107	(172,693)	501,800	(535,192)
Deficit at beginning	(13,209,998)	(12,370,147)	(13,092,691)	(11,960,088)
Share issue expenses	-	-	-	(47,560)
Deficit at end	\$ (12,590,891)	\$ (12,542,840)	\$ (12,590,891)	\$ (12,542,840)
Basic and diluted net income (loss) per share	\$ 0.01	\$ (0.01)	\$ 0.01	\$ (0.01)

Consolidated Statements of Comprehensive Income

	Three-month period ended September 30		Six-month period ended September 30	
	2007	2006	2007	2006
Net income (loss)	\$ 619,107	\$ (172,693)	\$ 501,800	\$ (535,192)
Other component of Comprehensive Income:				
• Net variation on the latent gain on the financial assets available-for-sale	157,472	-	157,472	-
Comprehensive Income	\$ 776,579	\$ (172,693)	\$ 659,272	\$ (535,192)

See accompanying notes.

Birim Goldfields Inc.
(An exploration Company)
Consolidated Statements of Cash Flows
(unaudited)

	Three-month period ended September 30		Six-month period ended September 30	
	2007	2006	2007	2006
Operating activities				
Net income (loss)	\$ 619,107	\$ (172,693)	\$ 501,800	\$ (535,192)
Items not affecting cash and cash equivalents				
Gain on disposal of a mining property	(752,664)	-	(752,664)	-
Stock - based compensation cost	-	-	-	179,604
	(133,557)	(172,693)	(250,864)	(355,588)
Net change in non-cash working capital items				
Accounts receivable	(30,096)	(29,686)	20,046	(40,088)
Prepaid expenses	44,326	(482)	84,337	10,695
Accounts payable and accrued liabilities	(65,660)	(153,311)	(282,641)	(119,130)
	(51,430)	(183,479)	(178,258)	(148,523)
	(184,987)	(356,172)	(429,122)	(504,111)
Financing activities				
Share capital	-	1,772,145	2,630,505	6,500,000
Share issue expenses	-	-	-	(47,560)
	-	1,772,145	2,630,505	6,452,440
Investing activities				
Mineral interests - exploration costs	(601,669)	(1,024,760)	(1,425,093)	(1,780,816)
Additions to property, plant and equipment	(1,524)	(42,699)	(7,810)	(86,115)
Prepaid rent	-	22,051	-	47,916
	(603,193)	(1,045,408)	(1,432,903)	(1,819,015)
Net change in cash and cash equivalents	(788,180)	370,565	768,480	4,129,314
Cash and cash equivalents at beginning	3,948,239	4,561,932	2,391,579	803,183
Cash and cash equivalents at end	\$ 3,160,059	\$ 4,932,497	\$ 3,160,059	\$ 4,932,497

Cash and cash equivalents are represented by cash and term deposits.

Additional Information

Items not affecting cash and cash equivalents related to financing and investing activities

Options granted (mining interests)	\$ -	\$ -	\$ 32,223	\$ -
Warrants exercised	\$ -	\$ -	\$ 521,885	\$ -
Capitalized amortization (mining interests)	\$ 28,183	\$ 17,555	\$ 57,828	\$ 41,508

See accompanying notes.

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2007 and 2006

1. General

The accompanying unaudited consolidated financial statements do not include all the disclosure required by generally accepted accounting principles for annual statements and should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended March 31, 2007, specifically the Note 1 on the Nature of activities and going concern and Note 2 on the Summary of significant accounting policies.

2. Accounting policies modifications

Effective April 1, 2007, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") addressing Financial Instruments, Comprehensive Income and Unitholders' Equity.

a) Financial Instruments

In the normal course of business, the Company uses financial instruments.

Section 3855 (Financial Instruments) establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions.

Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Financial assets and financial liabilities classified as held-for-trading are required to be measured at fair value, with gains and losses recognized in net earnings.

Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held for-trading) are required to be measured at amortized cost using the effective interest method of amortization.

Available-for-sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in Other Comprehensive Income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market should be measured at cost.

Portfolio investments are classified under "Available-for-sale financial Assets". It is measured at fair market value and the gain/loss resulting from the evaluation at the end of each period is recorded as Comprehensive Income. As at September 30, 2007, the carrying value and fair value of portfolio investments were \$752,664 and \$910,136, respectively. The initial valuation resulted in a net unrealized gain of \$157,472. This net unrealized gain is presented as an adjustment to consolidated Accumulated Other Comprehensive Income.

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2007 and 2006

page 2

2. Accounting policies modifications (cont'd)

The Company has implemented the following classification:

- Cash and cash equivalents are classified as "held-for-trading". These financial assets measured at fair market value and the gain/loss resulting from the evaluation at the end of each period is recorded in net income.
- Short-term investments are classified under "Available-for-sale financial Assets". It is measured at fair market value and the gain/loss resulting from the evaluation at the end of each period is recorded as Comprehensive Income.
- Accounts payable and accrued liabilities are classified as "held-to-maturity". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method.

b) Comprehensive Income and Unitholders' Equity

Under Section 1530, Comprehensive Income is comprised of net earnings (loss) and Other Comprehensive Income ("OCI"), which represents changes in Unitholders' equity during a period arising from transactions and other events with non-owner sources. OCI generally would include unrealized gains and losses on financial assets classified as available-for-sale. The Company's consolidated financial statements include a consolidated statement of Comprehensive Income while the cumulative amount and Accumulated Other Comprehensive Income ("AOCI") are presented as a separate item of Unitholders' equity.

Effective April 1, 2007, the Company adopted the new Canadian Institute of Chartered Accountants (CICA) Handbook accounting requirements for Section 3251 "Equity" which describes the standards for presenting equity and changes in equity. Due to the adoption of Section 3251 and Section 1530 described above the Company's financial statements now include information on Comprehensive Income and its other components.

3. Portfolio investments

The portfolio investments consist in share capital that is available-for-sale and is accounted for at its fair value.

	As at September 30, 2007 \$	As at March 31, 2007 \$
Cost	752,664	-
Latent gains	157,472	-
Fair value of portfolio investments available-for-sale	<u>910,136</u>	<u>-</u>

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2007 and 2006

page 3

4. Property, plant and equipment

	2007		
	Cost	Accumulated amortization	Net amount
Motor vehicles	\$ 354,583	\$ (162,725)	\$ 191,858
Office equipment	222,446	(56,632)	165,814
Field equipment	34,499	(19,854)	14,645
	<u>\$ 611,528</u>	<u>\$ (239,211)</u>	<u>\$ 372,317</u>

	2006		
	Cost	Accumulated amortization	Net amount
Motor vehicles	\$ 354,583	\$ (98,119)	\$ 256,464
Office equipment	71,840	(13,369)	58,471
Field equipment	29,654	(11,819)	17,836
	<u>\$ 456,077</u>	<u>\$ (123,307)</u>	<u>\$ 332,770</u>

5. Mining interests

	Balance as at April 1, 2007 \$	Costs \$	Balance as at September 30, 2007 \$
Ghana			
Bui	14,553,348	509,098	15,062,446
Tinga	2,938,748	407,977	3,346,725
Bibiani-Sefwi	949,510	187,125	1,136,635
Techimentia	405,778	160,759	566,537
Burkina Faso			
Sangolo	17,815	250,185	268,000
	<u>18,865,199</u>	<u>1,515,144</u>	<u>20,380,343</u>

	Balance as at April 1, 2006 \$	Costs \$	Balance as at September 30, 2006 \$
Ghana			
Bui	11,497,684	1,428,143	12,925,827
Tinga	2,655,062	28,493	2,683,555
Bibiani-Sefwi	596,334	195,385	791,719
Techimentia	-	170,303	170,303
	<u>14,749,080</u>	<u>1,822,324</u>	<u>16,571,404</u>

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2007 and 2006

page 4

6. Share capital

Authorized

Unlimited number of common shares, without par value.

Issued

Changes in the Company's share capital were as follows:

	2007		2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning	63,512,086	\$ 32,235,967	51,576,604	\$ 26,022,930
Issued following a private placement	-	-	11,818,182	5,768,724*
Issued following the exercise of warrants	4,119,100	3,152,390	-	-
Balance at end	67,631,186	\$ 35,388,357	63,394,786	\$ 31,791,654

* This amount is net of the fair value of the warrants amounting \$731,276.

Stock option plan

The company has a fixed-price share option plan. Under the Employee, Director and Consultant Share Option Plan, the company may grant options to its key employees, officers, directors and consultants for up to 9,500,000 common shares. Under the plan, the exercise price of each option equals the market price of the company's shares on the date of grant and an option's maximum term is ten years. The number of share options granted is determined by the Board of Directors and the aggregate number of share options granted to any one individual cannot exceed 5% of the issued and outstanding common shares of the company. Options terminate 90 days following the key employee's, officer's or director's date of departure, except in the case of retirement, death or disability, in which case they terminate one year after the event. Options also terminate 90 days following the cancellation of contracts with the consultants. The options are exercisable at any time, unless otherwise specified.

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2006 and 2005

page 5

6. Share capital (cont'd)

Options

The following table presents the options activity since April 1, 2007 and 2006:

	2007		2006	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	4,165,000	0.46	3,815,000	0.46
Granted	150,000	0.70	1,000,000	0.50
Exercised	-	-	-	-
Matured	(1,150,000)	0.40	(1,150,000)	0.54
Outstanding and exercisable – End of period	3,200,000	0.49	3,665,000	0.45

The following table summarizes information about fixed stock options outstanding and exercisable as at September 30, 2007:

Options outstanding as at September 30, 2007	Weighted average remaining contractual life (years)	Exercise price
1,550,000	0.30	\$ 0.45
1,000,000	0.72	0.50
500,000	2.43	0.56
150,000	1.56	0.70
3,200,000	0.82	\$ 0.49

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2007 and 2006

page 6

6. Share capital (cont'd)

The fair value of options granted was estimated using the Black-Scholes options pricing model with the following weighted average assumptions :

	2007	2006
Weighted average risk-free interest rate	4.12	4.38
Expected volatility	50%	75%
Dividend yield	Nil	Nil
Weighted average expected life	2 years	2 years
Weighted average cost of option granted	\$0.21	\$0.18

The cost recorded as expenses for the options granted to directors and officers during the period ended September 30, 2007 is nil (\$179,604 in 2006) and the amount of nil (\$179,604 in 2006) has been recorded under the heading Options. In addition, during the period ended September 30, 2007, \$32,223 (none in 2006) was accounted for as mining interests for options granted to technical consultants through the vesting period and the amount of \$32,223 (none in 2006) has been recorded under the heading Options.

As at September 30, 2007, the cost of the matured options is \$189,728 (\$259,944) and has been transferred to contributed surplus.

Warrants

The following table presents the warrant activity since April 1, 2007 and 2006:

	2007		2006	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	10,043,191	0.73	4,251,400	0.64
Granted	-	-	5,909,091	0.80
Exercised	(4,119,100)	0.64	-	-
Matured	(15,000)	0.65	-	-
Outstanding – End of period	5,909,091	0.80	10,160,491	0.73

Birim Goldfields Inc.

(An exploration Company)

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2007 and 2006

page 7

6. Share capital (cont'd)

The following table summarizes information about warrants outstanding and exercisable as at September 30, 2007:

Exercise price	Warrants outstanding and exercisable as at September 30, 2007	Weighted average remaining contractual life
\$0.80	4,298,050	0.15 year
\$0.80	1,611,041	0.27 year

As at September 30, 2007, the cost of matured warrants is \$1,867 and has been transferred to Contributed Surplus.

7. Related party transactions

During the period, the Company paid \$39,000 (\$39,000 in 2006) in professional service fees and \$10,000 (\$12,000 in 2006) in rent, to a company controlled by an officer. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.