

FIRSTGOLD CORP.  
Form 424B3  
December 17, 2007  
**PROSPECTUS**

**FIRSTGOLD CORP.**

**20,635,588** Shares of Common Stock

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This prospectus relates to the disposition by certain selling stockholders identified in this prospectus (the "Selling Stockholders") of up to an aggregate of 20,635,588 shares of Common Stock, par value \$0.001 per share ("Common Stock") which includes (i) up to 10,969,973 shares of common stock; (ii) up to 1,868, 810 shares issuable upon the conversion of convertible debentures and any accrued interest; and (iii) 7,796,805 shares issuable upon the exercise of warrants. All of such shares of Common Stock are being offered for resale by the Selling Stockholders.

The prices at which the Selling Stockholders may sell shares will be determined by the prevailing market price for the shares or in negotiated transactions. We will not receive any of the proceeds from the sale of these shares by the Selling Stockholders. However, we will receive proceeds from the exercise of warrants if exercised by the Selling Stockholder.

We will bear all costs relating to the registration of the Common Stock, other than any Selling Stockholder's legal or accounting costs or commissions.

Our Common Stock is quoted on the Over-the-Counter ("OTC") bulletin board under the symbol "FGOC". On October 24, 2007, the closing price of our Common Stock on the Over-the-Counter Bulletin Board was \$0.60 per share.

Our principal executive offices are located at 3108 Ponte Morino Drive, Suite 210, Cameron Park, CA 95682 and our telephone number is (530) 677-5974.

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**INVESTING IN THE COMMON STOCK OFFERED HEREIN INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD PURCHASE SHARES ONLY IF YOU CAN AFFORD A COMPLETE LOSS OF YOUR INVESTMENT. YOU SHOULD CONSIDER CAREFULLY THE "RISK FACTORS" CONTAINED IN THIS PROSPECTUS BEGINNING ON PAGE 4.**

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**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The date of this prospectus is December 13, 2007.

**TABLE OF CONTENTS**

ABOUT THIS PROSPECTUS	2
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	2
PROSPECTUS SUMMARY	3
RISK FACTORS	4
TRANSACTION WITH CORNELL CAPITAL PARTNERS, L.P. AND OTHER CONVERTIBLE DEBENTURE HOLDERS	11
USE OF PROCEEDS	20
MARKET FOR FIRSTGOLD COMMON STOCK AND RELATED STOCKHOLDER MATTERS	20
BUSINESS	22
DESCRIPTION OF PROPERTY	33
MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS	34
LEGAL PROCEEDINGS	48
MANAGEMENT	49
EXECUTIVE COMPENSATION	52
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	56
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	58
DESCRIPTION OF SECURITIES	59
SELLING SECURITY HOLDERS	60
METHOD OF DISTRIBUTION	66
DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES	68
LEGAL MATTERS	68
EXPERTS	68
CHANGE OF INDEPENDENT ACCOUNTANTS	69
WHERE YOU CAN FIND MORE INFORMATION	69
FINANCIAL STATEMENTS	70



## **ABOUT THIS PROSPECTUS**

We have not authorized anyone to provide information different from that contained in this prospectus. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where such offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Common Stock. In this prospectus, references to “Firstgold,” the “Company,” “we,” “us” and “our” refer to Firstgold Corp., a Delaware corporation.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements in this prospectus and in any prospectus supplement we may file relate to future events concerning our business and to our future revenues, operating results, and financial condition. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “an,” “intend,” “believe,” “estimate,” “forecast,” “predict,” “propose,” “potential,” or “continue” or the negative of those terms or comparable terminology.

Any forward looking statements contained in this prospectus or any prospectus supplement are only estimates or predictions of future events based on information currently available to our management and management’s current beliefs about the potential outcome of future events. Whether these future events will occur as management anticipates, whether we will achieve our business objectives, and whether our revenues, operating results, or financial condition will improve in future periods are subject to numerous risks. The section of this prospectus captioned “Risk Factors,” beginning on page 4, provides a summary of the various risks that could cause our actual results or future financial condition to differ materially from forward-looking statements made in this prospectus. The factors discussed in this section are not intended to represent a complete list of all the factors that could adversely affect our business, revenues, operating results, or financial condition. Other factors that we have not considered may also have an adverse effect on our business, revenues, operating results, or financial condition, and the factors we have identified could affect us to a greater extent than we currently anticipate. Before making any investment in our securities, we encourage you to carefully read the information contained under the caption “Risk Factors,” as well the other information contained in this prospectus and any prospectus supplement we may file.

## PROSPECTUS SUMMARY

*The following summary is qualified in its entirety by the information contained elsewhere in this prospectus. You should read the entire prospectus, including "Risk Factors" and the financial statements before making an investment decision.*

**Issuer:** Firstgold Corp.  
3108 Ponte Morino Drive, Suite 210  
Cameron Park, CA 95682  
(530) 677-5974

**Description of Business:** Firstgold's business is the acquisition, exploration and, if warranted, development of various mining properties located in the state of Nevada with the objective of identifying, mining and processing gold and silver ore deposits. Firstgold plans to carryout comprehensive exploration and development programs on its properties which currently consists of various mineral leases associated with the Relief Canyon Mine located near Lovelock, Nevada. A description of our business begins on page 22 of this prospectus.

On January 25, 2006, Firstgold entered into a joint venture with ASDi LLC with the purpose to explore and, if warranted, develop additional mining properties located in Nevada. A description of this joint venture begins on page 27 of this Prospectus.

On October 24, 2006 Firstgold entered into a Mineral Lease Agreement to explore and, if warranted, develop up to 25,000 acres of property located in Elko County, Nevada.

On July 9, 2007 Firstgold completed staking claims on approximately 4,200 acres in the Horse Creek area of Nevada.

**The Offering:** This offering relates to the resale of shares of our Common Stock that may be acquired from time to time upon conversion of an outstanding Secured Convertible Debentures and upon exercise of outstanding warrants. The selling stockholders and the number of shares that may be sold by each are set forth beginning on page 60 of this prospectus.

**Shares:** 20,635,588 shares of our Common Stock. A description of our Common Stock is set forth on page 59 of this prospectus.

**Manner of Sale:** The shares of our Common Stock may be sold from time to time by the selling stockholders in open market or negotiated transactions at prices determined from time to time by the selling stockholders. A description of the manner in which sales may be made is set forth in this prospectus beginning on page 66 of this prospectus.

**Use of Proceeds:** We will not receive any of the proceeds from the sale of our Common Stock by the Selling Stockholders. However, we will receive proceeds from the exercise of warrants.

**Risk Factors:** The securities offered hereby involve a high degree of risk and will result in immediate and substantial dilution. A discussion of additional risk factors relating to our stock, our business and this offering begins on page 4 of this prospectus.

## **RISK FACTORS**

*Please carefully consider the specific factors set forth below as well as the other information contained in this prospectus before purchasing shares of our Common Stock. This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements.*

### **Risks Related to Our Business**

*We have a limited operating history and have not generated a profit since we recommenced operations, consequently our long term viability cannot be assured.*

We were inactive from July 2001 to February 2003 at which time we resumed our mining related activities and have incurred losses in each reporting period since recommencing operations.

Our prospects for financial success are difficult to forecast because we have a relatively limited operating history and have not yet commenced exploration at two of our mining properties and have conducted limited exploration at the Relief Canyon mining property. Our prospects for financial success must be considered in light of the risks, expenses and difficulties frequently encountered by exploration stage mining companies initiating exploration of unproven properties. Our business could be subject to any or all of the problems, expenses, delays and risks inherent in the establishment of a gold and silver exploration enterprise, including limited capital resources, possible delays in mining explorations and development, failure to identify commercially viable gold or silver deposits, possible cost overruns due to price and cost increases in exploration and ore processing, uncertain gold and silver market prices, inability to accurately predict mining results and attract and retain qualified employees. Therefore, there can be no assurance that our exploration or mining will be successful, that we will be able to achieve or maintain profitable operations or that we will not encounter unforeseen difficulties that may deplete our capital resources more rapidly than anticipated.

*We may need additional financing to expand our business plan.*

We had cash in the amount of \$8,466,770 and working capital of \$6,549,519 as of July 31, 2007. We currently do not generate revenues from our operations. Our business plan calls for substantial investment and cost in connection with the acquisition and exploration of our mineral properties owned or currently under lease. While we believe we have sufficient funds to carry out our current plans at Relief Canyon, unforeseen expenses, an expanded exploration plan or establishing future mining operations could require additional operating capital. We do not currently have any arrangements for additional financing and we can provide no assurance to investors that we will be able to find additional financing if required. Obtaining additional financing would be subject to a number of factors, including market prices for minerals, investor acceptance of our properties, and investor sentiment. These factors may make the timing, amount, terms or conditions of additional financing unfavorable to us. The most likely source of future funds would most likely be through the sale of additional equity capital and loans. Any sale of additional shares will result in dilution to existing stockholders while incurring additional debt will result in encumbrances on our property and future cash flows.

***Because there is no assurance when we will generate revenues, we may deplete our cash reserves and not have sufficient outside sources of capital to complete our exploration or mining programs.***

We have not earned any revenues as of the date of this prospectus and have never been profitable. To date we have been involved primarily in financing activities and limited exploration activities. We do not have an interest in any revenue generating properties. Prior to our being able to generate revenues, we will incur substantial operating and exploration expenditures without realizing any revenues. We therefore expect to incur significant losses into the foreseeable future. Our net loss for the fiscal year ended January 31, 2007 was \$4,728,070 and our net loss for the six months ended July 31, 2007 was \$3,819,642.

Due to our continuing losses from business operations, our most recent independent auditor's report dated May 16, 2007, includes a "going concern" explanation relating to the fact that our continued operations are dependent upon obtaining additional working capital either through significantly increasing revenues or through outside financing. While we are currently operating with working capital of approximately \$6,500,000 we have not yet generated any operating revenues. Our cash reserves will be used to primarily fund ongoing plans at Relief Canyon. However, our inability to generate revenues could eventually inhibit our ability to continue in business or achieve our business objectives.

***Because of the speculative nature of exploration of natural resource properties, there is substantial risk that we will not find commercially viable gold or silver ore deposits which would reduce our realization of revenues.***

There is no assurance that any of the claims we explore or acquire will contain commercially exploitable reserves of gold or silver minerals. Exploration for natural resources is a speculative venture involving substantial risk. Hazards such as unusual or unexpected geological formations and other conditions often result in unsuccessful exploration efforts. Success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. Due to these and other factors, no assurance can be given that our exploration programs will result in the discovery of new mineral reserves or resources.

***We may not have access to all of the supplies and materials we need for exploration, which could cause us to delay or suspend operations.***

Demand for drilling equipment and limited industry suppliers may result in occasional shortages of supplies, and certain equipment such as drilling rigs that we need to conduct exploration activities. While we have acquired a used mobile drilling rig, we have not negotiated any long term contracts with any suppliers of products, equipment or services. If we cannot find the trained employees and equipment when required, we will have to suspend or curtail our exploration plans until such services and equipment can be obtained.

***We have no known ore reserves and we cannot predict when and if we will find commercial quantities of mineral ore deposits. The failure to identify and extract commercially viable mineral ore deposits will affect our ability to generate revenues.***



We have no known ore reserves and there can be no assurance that any of the mineral claims we are exploring contain commercial quantities of gold or silver. Even if we identify commercial reserves, we cannot predict whether we will be able to mine the reserves on a profitable basis, if at all.

***We have entered into one joint venture in which our joint venture partner is an affiliate and we initially own a minority interest. Consequently, we may be unable to influence or prevent actions pertaining to the joint venture which we disagree with.***

We have entered into a joint venture with ASDi LLC whose sole manager and majority member is A. Scott Dockter, President and CEO of Firstgold for the purpose of exploring certain mining properties. Consequently, Mr. Dockter has a conflict of interest in this joint venture. Furthermore, ASDi LLC currently holds a 77.78% interest in a Nevada LLC called Crescent Red Caps LLC through which the joint venture is intended to be operated. While Firstgold will be the sole manager of the Nevada LLC, Mr. Dockter will be able to control the joint venture activities through his position with the Manager (Firstgold) and through his ownership and control of the majority member (ASDi LLC). Consequently, for the foreseeable future, Firstgold will hold a minority interest in the Crescent Red Caps LLC and will, therefore, have only limited ability to influence or object to actions taken by the Nevada LLC in exploring, developing and capital spending on any future joint venture properties.

***The property leases that were intended to be explored by the Crescent Red Caps LLC are subject to litigation.***

The lessors of the Crescent Valley and Red Caps properties have given notices of termination of the leases covering the two proposed joint venture properties claiming that the contribution of the leases by ASDi LLC to the joint venture was a breach of the leases. The matter is currently in litigation. Firstgold and Crescent Red Caps LLC do not claim any interest in the two leases or in the mining claims covered by the two leases and will not make any such claim until the pending litigation is resolved, see discussion at "Legal Proceedings" at page 48. Should the lease terminations be held valid, we would lose the opportunity to explore and possibly develop these two properties in the future.

***If we are unable to hire and retain key personnel, we may not be able to implement our business plan.***

Firstgold is substantially dependent upon the continued services of A. Scott Dockter, its President and James Kluber, its Chief Financial Officer. We have an employment agreement with Mr. Dockter and Mr. Kluber, but do not have either key person life insurance or disability insurance on them. While both Mr. Dockter and Mr. Kluber expect to spend the majority of their time assisting Firstgold and its business, there can be no assurance that their services will remain available to Firstgold. If either Mr. Dockter's or Mr. Kluber's services are not available to Firstgold, Firstgold will be materially and adversely affected. While both Mr. Dockter and Mr. Kluber have three year employment agreements, through 2009, and both Mr. Dockter and Mr. Kluber have been significant stockholders of Firstgold and each considers his investment of time and money in Firstgold of significant personal value, there is no assurance that both men will remain employed through the end of their current employment contract. Our success is also largely dependent on our ability to hire highly qualified personnel. This is particularly true in the highly technical business such as mineral exploration. These individuals are in high demand and we may not be able to retain the personnel we need.

In addition, we may not be able to afford the high salaries and fees demanded by qualified personnel, or may lose such employees after they are hired. Failure to hire key personnel when needed, or on acceptable terms, to carryout our exploration and mining programs would have a significant negative effect on our business.

***Because the probability of many of the individual mining prospects explored will not show commercially viable amounts of gold or silver ore deposits, substantial amounts of funds spent on exploration will not result in identifiable reserves.***

The probability of our exploration program identifying individual prospects having commercially significant reserves cannot be predicted. It is likely that many of the properties explored will not contain any commercially significant reserves. As such substantial funds will be spent on exploration which may identify only a few, if any, claims having commercial development potential.

***Our mining claims could be contested which would add significant costs and delays to our exploration programs.***

Our mining property rights currently consist of 146 mill site and unpatented mining claims at the Relief Canyon Mine and recently staked claims on approximately 4,200 acres of land in the Horse Creek area of Nevada. The validity of unpatented mining claims and staked claims are often uncertain and are always subject to contest. Unpatented mining claims are generally considered subject to greater title risk than patented mining claims, or real property interests that are owned in fee simple. If our claims on a particular property are successfully challenged, we may not be able to develop or retain our interests on that property, which could reduce our future revenues.

***Mining operations are subject to extensive federal and state regulation which increases the costs of compliance and possible liability for non-compliance.***

Mining is subject to extensive regulation by state and federal regulatory authorities. State and federal statutes regulate environmental quality, safety, exploration procedures, reclamation, employees' health and safety, use of explosives, air quality standards, pollution of stream and fresh water sources, noxious odors, noise, dust, and other environmental protection controls as well as the rights of adjoining property owners. We believe that we are currently operating in compliance with all known safety and environmental standards and regulations applicable to our Nevada properties or are in the process of remediating our property to be compliant. However, there can be no assurance that our compliance could be challenged or that future changes in federal or Nevada laws, regulations or interpretations thereof will not have a material adverse affect on our ability to resume and sustain exploration operations.

***Mining operations are subject to various risks and hazards which could result in significant costs or hinder ongoing operations.***

The business of gold mining is subject to certain types of risks, including environmental hazards, industrial accidents, and theft. We expect to secure insurance against certain property damage loss (including business interruption) and comprehensive general liability insurance. While we will maintain insurance consistent with industry practice, it is not possible to insure against all risks associated with the mining business, or prudent to assume that insurance will continue to be available at a reasonable cost.

We have not obtained environmental liability insurance because such coverage is not considered by management to be cost effective. We currently carry no insurance on any of our properties due to the current lack of any mine operations.

***Compliance with corporate governance and public disclosure regulations may result in additional expenses.***

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, and new regulations issued by the Securities and Exchange Commission, are creating uncertainty for companies, which could result in compliance deficiencies. In order to comply with these regulations, we may need to invest substantial resources to comply with evolving standards, and this investment would result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

***Our officers and directors have limited liability and have indemnification rights***

Our Certificate of Incorporation and by-laws provide that we will indemnify our officers and directors against losses sustained or liabilities incurred which arise from any transaction in that officer's or director's respective managerial capacity unless that officer or director violates a duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend, or derived an improper benefit from the transaction.

**Risks Related to Our Stock**

***Our Stock Price is Volatile.***

The market price of a share of our Common Stock has fluctuated significantly in the past and may continue to fluctuate significantly in the future. During the fiscal year 2007, ended January 31, 2007, the high and low sales prices of a share of Firstgold common stock were \$0.53 and \$0.14 respectively. During fiscal year 2006, through January 31, 2006, the high and low sales prices of a share of Firstgold Common Stock were \$0.34 and \$0.10, respectively. The market price of a share of our Common Stock may continue to fluctuate in response to a number of factors, including:

- results of our exploration program;
- fluctuations in our quarterly or annual operating results;
- fluctuations in the market price of gold and silver;
- the loss of services of one or more of our executive officers or other key employees;
- adverse effects to our operating results due to unforeseen difficulties affecting our exploration program; and

- general economic and market conditions.

***We may need to raise funds through debt or equity financings in the future, which would dilute the ownership of our existing stockholders and possibly subordinate certain of their rights to the rights of new investors or creditors.***

We may choose to raise additional funds in debt or equity financings if they are available to us on terms we believe reasonable to increase our working capital, strengthen our financial position or to make acquisitions. Any sales of additional equity or convertible debt securities would result in dilution of the equity interests of our existing stockholders, which could be substantial. Additionally, if we issue shares of preferred stock or convertible debt to raise funds, the holders of those securities might be entitled to various preferential rights over the holders of our Common Stock, including repayment of their investment, and possibly additional amounts, before any payments could be made to holders of our Common Stock in connection with an acquisition of the Company. Such additional debt, if authorized, would create rights and preferences that would be senior to, or otherwise adversely affect, the rights and the value of our Common Stock. Also, new investors may require that we and certain of our stockholders enter into voting arrangements that give them additional voting control or representation on our board of directors.

***Inadequate market liquidity may make it difficult to sell our stock.***

There is currently a public market for our Common Stock, but we can give no assurance that there will always be such a market. Only a limited number of shares of our Common Stock are actively traded in the public market and we cannot give assurance that the market for our stock will develop sufficiently to create significant market liquidity. An investor may find it difficult or impossible to sell shares of our Common Stock in the public market because of the limited number of potential buyers at any time. In addition, the shares of our Common Stock are not eligible as a margin security and lending institutions may not accept our Common Stock as collateral for a loan.

***The application of the “penny stock regulation” could adversely affect the market price of our Common Stock***

Penny stocks generally are equity securities with a price of less than \$5.00 per share other than securities registered on certain national securities exchanges or quoted on the NASDAQ Stock Market, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. Our securities may be subject to “penny stock rules” that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with their spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser’s written consent to the transaction prior to the purchase. Consequently, the “penny stock rules” may restrict the ability of broker-dealers to buy and sell our securities and may have the effect of reducing the level of trading activity of our Common Stock in the secondary market.

*We may engage in future acquisitions that dilute our stockholders and cause us to incur debt or assume contingent liabilities.*

As part of our strategy, we expect to review opportunities to acquire or participate in the exploration of other mining properties that would complement our current exploration or mining program, or that may otherwise offer growth opportunities. In the event of any future acquisitions, we could:

- issue stock that would dilute current stockholders' percentage ownership;
  - incur debt; or
  - assume liabilities.

These acquisitions also involve numerous risks, including:

- problems combining additional exploration or mining opportunities with current business operations:
  - unanticipated costs;
  - holding a minority interest in other joint ventures or partnerships;
  - possible financial commitments to fund future development;
- risks associated with exploring new property with negative results; and
  - possible shared control with other persons or entities.

#### **Risks Relating to Our Current Financing Arrangement**

*We have significant "equity overhang" which could adversely affect the market price of our Common Stock and impair our ability to raise additional capital through the sale of equity securities.*

As of October 31, 2007, Firstgold had approximately 112,601,370 shares of Common Stock outstanding and convertible debentures which are convertible into up to 1,868,810 shares of our Common Stock. Additionally, warrants to purchase a total of 39,726,132 shares and options to purchase 3,850,000 shares of our Common Stock were outstanding as of October 31, 2007. The possibility that substantial amounts of our outstanding Common Stock may be sold by investors or the perception that such sales could occur, often called "equity overhang," could adversely affect the market price of our Common Stock and could impair our ability to raise additional capital through the sale of equity securities in the future.

***If an event of default occurs under the Securities Purchase Agreement dated September 26, 2006, Secured Convertible Debenture or the Security Agreement, the Debenture Holders could take possession of all our mining rights held in the Relief Canyon property.***

In connection with the Securities Purchase Agreement dated September 26, 2006, as amended, we executed a Security Agreement in favor of Cornell Capital Partners granting them a first priority security interest in all of our leasehold interests and mining rights to the Relief Canyon property as well as any equipment or improvements located on such property. The Security Agreement states that if an event of default occurs under the Securities Purchase Agreement, Secured Convertible Debenture or Security Agreement, Cornell Capital Partners have the right to take possession of the collateral, to operate our business using the collateral, and have the right to assign, sell, lease or otherwise dispose of and deliver all or part of the collateral, at public or private sale or otherwise to satisfy our obligations under these agreements.

***We may not be able to pay our debt and other obligations and our assets may be seized as a result.***

We have not established a sinking fund nor do we intend to set aside sufficient funds to repay our outstanding debt, including certain Debentures, at maturity. Consequently, we may not generate the cash flow required or have sufficient funds available to pay our liabilities as they become due. We may not have sufficient cash reserves to repay the Debentures at such time, which would cause an event of default under the Debentures and may force us to declare bankruptcy. If we raise additional funds to repay the Debentures by selling equity securities, the relative equity ownership of our existing investors could be diluted and new investors could obtain terms more favorable than previous investors.

#### **TRANSACTION WITH CORNELL CAPITAL PARTNERS, L.P. AND OTHER CONVERTIBLE DEBENTURE HOLDERS**

On September 26, 2006, we entered into a Securities Purchase Agreement with Cornell Capital Partners, LP (“Cornell Capital”), which Agreement was later amended on November 1, 2006 pursuant to which we agreed to issue up to an aggregate principal amount of \$3,000,000 of convertible secured debentures to be issued and funded in three separate issuances of \$1,000,000 each and documented in three convertible secured debentures. In October 2006 we issued three debentures in the aggregate principal amount of \$650,000 to other investors (collectively, the “Debentures”).

Each Debenture has a term of three years during which time we intend to commence production at the Relief Canyon Mine. The anticipated resources from any such future production is planned to enable us to repay these amounts within the repayment period. In the event that we were unsuccessful in commencing operations at the Relief Canyon Mine or any of our other mining properties, or if revenues from any such future production was less than anticipated, then it would be unclear whether cash flow from operations would be sufficient to repay these amounts.

It has been represented to us that none of the Selling Security Holders have an existing short position in our common stock.

### **Prior Transaction with Selling Security Holders**

Prior to the September 26, 2006 financing transaction, on January 27, 2006, we entered into a Securities Purchase Agreement with Cornell Capital pursuant to which we agreed to issue up to an aggregate principal amount of \$1,000,000 of convertible secured debentures to be issued and funded in three separate issuances of \$600,000, \$200,000 and \$200,000 with each disbursement documented by a convertible secured debenture. Convertible debentures were issued on January 27, 2006 (\$600,000 principal amount); March 9, 2006 (\$200,000 principal amount); and July 17, 2006 (\$200,000 principal amount). By September 15, 2006, Cornell Capital had converted all three convertible debentures and \$30,947.95 of accrued interest into a total of 4,040,168 shares of our restricted common stock.

Cornell Capital was also issued warrants exercisable into 2,500,000 shares of Firstgold common stock. 1,250,000 warrants are exercisable at \$0.20 per share and 1,250,000 warrants are exercisable at \$0.30 per share. The warrants expire on January 27, 2010. In October 2006 Cornell Capital assigned 125,000 of its warrants exercisable at \$0.20 and 125,000 of its warrants exercisable at \$0.30 to an unrelated third party. On March 6, 2007 Cornell Capital exercised its warrants as to 1,125,000 shares at an exercise price of \$0.20 per share for total proceeds to Firstgold of \$225,000. On March 30, 2007 Cornell Capital assigned its warrants with an exercise price of \$0.30 for the remaining 1,125,000 shares to an unrelated third party. All of the Firstgold shares acquired by Cornell Capital through the conversion of its convertible debentures and exercise of 1,125,000 warrants were resold pursuant to a previous registration statement by March 31, 2007.

We had no prior relationship or arrangement with any of the other convertible debenture investors other than Cornell Capital.

### **Current Convertible Debentures**

The first \$1,000,000 convertible secured debenture in the most recent financing (the "Closing Debenture") has been issued and was funded on September 26, 2006.

The second \$1,000,000 convertible debenture (the "Filing Debenture") was issued and funded on December 1, 2006 upon the filing a previous registration statement (the "Registration Statement") with the Securities and Exchange Commission ("SEC") registering shares of common stock pursuant to a Registration Rights Agreement between us and Cornell Capital dated September 26, 2006 (the "Rights Agreement"). The third \$1,000,000 convertible secured debenture (the "Final Debenture") was issued and funded on March 16, 2007.

As of the date of this prospectus, all of Cornell Capital's Debentures have been fully converted with accrued interest at the Fixed Conversion Price into 7,080,450 shares of Firstgold common stock.

In addition to the convertible debentures issued to Cornell Capital, Firstgold issued an additional \$650,000 principal amount of convertible debentures to a limited number of other investors. These latter debentures have similar terms and conditions as those issued to the Cornell Capital except the conversion provision is only at the Fixed Conversion Rate of \$0.45 per share. The Cornell Capital debentures and the other three debentures are collectively referred to as the "Debentures."

Based on the foregoing, the remaining \$650,000 of Debentures will be convertible at the option of holder at any time up to maturity at a conversion price equal to \$0.45. The Debentures have a three-year term and accrue interest at 8% per year payable in cash or our common stock. If paid in stock, the stock will be valued at the rate equal to the conversion price of the Debentures in effect at the time of payment. Interest and principal payments on the Debentures accrue until converted or, if not converted, are due on the maturity date of each Debenture.

The following table summarizes the value of our common stock underlying the Debentures and potential discount to market price that Cornell Capital may receive. For purposes of this table, it is assumed that \$1,000,000 principal amount Debenture was issued and sold on September 26, 2006; \$1,000,000 principal amount Debenture was issued and sold on December 1, 2006; and \$1,000,000 principal amount Debenture was issued and sold on March 16, 2007. The table also includes \$650,000 principal amount of Debentures assumed to have been issued and sold on October 10, 2006, to investors other than Cornell Capital.

	<b>Market Price (1)</b>		<b>Conversion Price (2)</b>		<b>Total Shares Underlying Debentures (3)</b>	<b>Total Value of Shares at Market Price (4)</b>	<b>Total Value of Shares at Conversion Price (5)</b>	<b>Total Possible Discount to Market Price (6)</b>
9/26/06	\$	0.39	\$	0.33	3,030,303	\$ 1,181,818	\$ 1,000,000	\$ 181,818
10/10/06	\$	0.39	\$	0.45	1,444,444	\$ 563,333	\$ 650,000	\$ 0
12/01/06	\$	0.34	\$	0.30	3,333,333	\$ 1,133,333	\$ 1,000,000	\$ 133,333
3/16/07	\$	0.53	\$	0.45	2,222,222	\$ 1,177,778	\$ 1,000,000	\$ 177,778
4/12/07	\$	0.61	\$	0.45	5,673,110	\$ 3,460,597	\$ 2,552,900	\$ 907,697

(1) Closing market price per share of our common stock on the assumed conversion date of September 26, 2006, October 10, 2006, December 1, 2006 and March 16, 2007.

(2) Conversion price per share of our common stock underlying the Debentures on the assumed date of the conversion of the Debentures. Pursuant to the terms of the Debentures issued to Cornell Capital on 9/26/06, 12/1/06 and 3/16/07, the conversion price was equal to the lesser of the fixed conversion price of \$0.45, or the market conversion price, defined as 95% of the lowest daily volume weighted average trading prices per share of our common stock during the thirty trading days immediately preceding the conversion date, as quoted by Bloomberg, LP. Cornell Capital has subsequently converted all of its debentures at a price of \$0.45. For the 4/12/07 transaction, this column equates to the issuance price of the Units.



- (3) Total number of shares of common stock underlying the Debentures assuming full conversion as of the assumed date of the conversion of the Debentures. Since the actual conversion price of the Debentures can decrease as the market price decreases, the actual number of shares underlying the Debentures can also fluctuate. Prior to conversion, if the market price for our common stock had decreased below \$0.45 per share, the number of shares issuable upon conversion of the Debentures increases. See the section “Shares Issuable Upon Conversion of Convertible Debenture” at page 22. For the 4/12/07 transaction, this column equates to the number of shares issued in the Units.
- (4) Total market value of shares of common stock underlying the Debentures assuming full conversion as of the assumed date of the sale of the Debentures and based on the market price of the common stock on the assumed date of the sale of the Debentures.
- (5) Total value of shares of common stock underlying the Debentures assuming full conversion of the Debentures as of the assumed date of the conversion of the Debentures and based on the conversion price. For the 4/12/07 transaction, the column equates to the value of the shares issued in the Units.
- (6) Discount to market price calculated by subtracting the result in footnote (5) from the result in footnote (4).

## Warrants

On September 26, 2006, as amended on November 1, 2006, we also issued to Cornell Capital two warrants for a total of 3,500,000 shares of our common stock (each a “Warrant” and collectively the “Warrants”) with the aggregate exercise price of \$1,575,000 if exercised on a cash basis and if we are not in default on any of the Debentures. The “A Warrant” is exercisable for 2,000,000 shares of our common stock at \$0.45 per share, expiring November 1, 2010. The “B Warrant” was originally exercisable for 1,500,000 shares of our common stock at \$0.60 per share, expiring four years after the issuance date of the Warrants. However, on March 16, 2007 an Amended and Restated “B Warrant” was issued covering 1,500,000 shares at an exercise price of \$0.45 per share, expiring on November 1, 2010.

If the Warrants are exercised on a cashless basis, we would receive no proceeds from their exercise by Cornell Capital.

The other selling stockholders hold warrants to purchase up to 4,296,805 shares of Firstgold common stock at an exercise price \$0.65 per share. These warrants include 271,156 penalty warrants issued on October 16, 2007. The warrants are exercisable for a period of 18 months after the issuance date of April 12, 2007.

The following table summarizes the value of each of the Warrants assuming the holders exercise them on a cash basis and we are not in default the Debentures.

Warrant	Market Price on Date of Conversion <sup>(1)</sup>	Conversion	Total Shares Underlying the Warrant <sup>(3)</sup>	Total Value of	Total Value of	Total Possible
		Price on Date of Sale <sup>(2)</sup>		Shares at Market Price <sup>(4)</sup>	Shares at Exercise Price <sup>(5)</sup>	Discount to Market Price <sup>(6)</sup>
A Warrant	\$0.36	\$0.45	2,000,000	\$720,000	\$900,000	\$0
B Warrant	\$0.36	\$0.45	1,500,000	\$540,000	\$675,000	\$0
Other Selling Shareholders	\$0.57	\$0.45	4,296,805	\$2,449,179	\$1,933,562	\$515,617

- (1) Closing market price per share of our common stock on the assumed date of the exercise of the Warrants which is the date the securities were issued.

**14**

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- (2) Exercise price per share of our common stock on the date of the exercise and issuance of the Warrants. The exercise price of the Warrants is fixed pursuant to the terms of each of the Warrants except that each of the Warrants contain anti-dilution protections which in certain circumstances, may result in a reduction to the exercise price.
- (3) Total number of shares of common stock underlying each Warrant assuming full conversion as of the assumed date of the conversion of the Warrants. Upon certain anti-dilution adjustments of the exercise price of the Warrants, the number of shares underlying the Warrants may also be adjusted such that the proceeds to be received by us would remain constant.
- (4) Total market value of the shares of common stock underlying each Warrant assuming full exercise of each Warrant as of the assumed date of the exercise of the Warrants (9/21/07) based on the market price of the common stock on the date of the exercise of the Warrants.
- (5) Total value of shares of common stock underlying each Warrant assuming full exercise of each Warrant as of the assumed date of the conversion of the Warrants and based on the conversion price.
- (6) Discount to market price calculated by subtracting the result in footnote (5) from the result in footnote (4).

### **Registration Rights Agreement**

Pursuant to the Amended Registration Rights Agreement with Cornell Capital, we agreed to register for resale under the Securities Act of 1933, as amended, up to 18,750,000 shares of common stock issuable upon conversion of the Debentures and upon exercise of the Warrants, and to file such Registration Statement within thirty (30) days after November 1, 2006. We were also required to register up to 2,191,227 shares on behalf of the other convertible debenture/warrant holders. We filed a Registration Statement with the SEC on December 1, 2006. We were also required to use our reasonable best efforts to have that Registration Statement declared effective by February 28, 2007. However, for administrative reasons we withdrew that prior Registration on May 18, 2007. In addition, due to certain subsequent amendments to the Cornell Capital investment and subsequent private sales, we are now only required to register 8,504,553 shares of common stock issued upon conversion of the Debentures including accrued interest on such Debentures prior to conversion and upon exercise of the Warrants. The value of the total number of shares of common stock that we are required to register pursuant to the Amended Registration Rights Agreement with Cornell Capital, based on the market price of our common stock on September 21, 2007 (\$0.62) was approximately \$5,273,000.

There is no guarantee that the SEC will declare this Registration Statement effective. In the event that the Registration Statement is not declared effective by the SEC, then Cornell Capital may claim we are in default on these agreements, and we may face certain liquidated damages in addition to other rights that Cornell Capital may have. The liquidated damages, at Cornell Capital's option, include demand for a cash amount payable within three business days equal to 1% of the liquidated value of the Debentures then outstanding for each thirty (30) day period after the required filing deadline or the required effective date, as the case may be. However, the liquidated damages would be payable for no more than fifteen months, and no liquidated damages would be owed if Cornell Capital fails to provide timely information or if we are actively engaged in the comment process with the SEC. Furthermore, we also agreed to pay structuring fees to Yorkville Advisors, LLC ("Yorkville"), the manager of Cornell Capital of \$20,000, and a due diligence fee of \$5,000. We also agreed to pay Cornell Capital a fee of 9% of the aggregate principal amount of Debentures then issued and outstanding.



We made no payments in conjunction with the sale of convertible debentures to other investors.

### Payments and Premiums to Debenture Holders

Line 1 of the following table summarizes the potential payments we would have been required to pay to Cornell Capital and affiliates of Cornell Capital without giving effect to the conversions of \$450,000 on July 13, 2007, and \$1,000,000 on September 13, 2007. For purposes of this table, we have assumed that the entire \$3,000,000 aggregate principal amount of the Debentures were issued and sold on September 26, 2006. Line 2 of the following table summarizes the potential payments to other Debenture holders.

<b>Maximum Commitment Fee</b> <sup>(1)</sup>	<b>Structuring and Due Diligence Fees</b> <sup>(2)</sup>	<b>Maximum Interest Payments</b> <sup>(3)</sup>	<b>Maximum Redemption Premiums</b> <sup>(4)</sup>	<b>Maximum Liquidated Damages</b> <sup>(5)</sup>	<b>Total Maximum Payments</b> <sup>(6)</sup>	<b>Total Net Proceeds to Company</b> <sup>(7)</sup>
\$ 270,000	\$ 25,000	\$ 720,000	\$ 372,000	\$ 450,000	\$ 1,837,000	\$ 1,985,000
\$ 0	\$ 0	\$ 156,000	\$ 80,600	\$ 97,500	\$ 334,100	\$ 494,000

- (1) We agreed to pay Cornell Capital a commitment fee equal to 9% of the \$3,000,000 purchase price of the Debentures issued pursuant to the Agreement on a pro rata basis as the Debentures were issued. As of the filing of this Registration Statement, \$3,000,000 of the Debentures have been issued and we paid Cornell Capital \$270,000 in commitment fees.
- (2) Pursuant to the Agreement, we paid Yorkville an aggregate of \$20,000 in structuring and \$5,000 in due diligence fees in connection with the transactions contemplated by the Agreement.
- (3) Maximum amount of interest that can accrue assuming all the Debentures remaining outstanding until the maturity date. We may pay accrued interest in either cash or, at our option, in shares of our common stock.
- (4) Under certain circumstances we have the right to redeem the full principal amount of the Debentures prior to the maturity date by repaying the principal and accrued interest plus a redemption premium of 10% of such principal and accrued interest. This represents the maximum redemption premium we would pay assuming we redeem all of the Debentures prior to maturity with the redemption premium.
- (5) Maximum amount of liquidated damages we may be required to pay for the twelve months following the sale of all the Debentures.
- (6) Total maximum payments that we may be required to make for the twelve months following the sale of all the Debentures and assuming that we made all of the payments described in footnotes 1 through 5.
- (7) Total net proceeds to us assuming that we were not required to make any payments as described in footnotes 4 and 5.

### Security Agreement



The Debentures are secured by a Security Agreement with Cornell Capital. The obligation is secured by all our property and mining rights held in the Relief Canyon Mine property, as affirmed by an Amended Memorandum of Security Agreement as filed with the County Recorder of Pershing County, Nevada.

### Pledge and Lock-Up Agreements

The Debentures, prior to conversion, were also secured by a pledge of 10,000,000 of the shares of our common stock which comprises approximately 9.5% of our currently issued and outstanding common stock.

### Use of Proceeds

We plan to use the proceeds for general corporate purposes and for working capital. We sold \$650,000 principal amount of debentures to three investors without fees or deductions. The following table summarizes the potential proceeds available to us pursuant to the latest financing with Cornell Capital and three additional investors. For purposes of this table, we have assumed that all of the \$3,000,000 aggregate principal amount of convertible secured debentures were issued and sold on September 26, 2006 and that Cornell Capital exercises all of the Warrants on a cash basis.

<b>Total Gross Proceeds Payable to Company</b>	<b>Total Maximum Payments by Company (1)</b>	<b>Net Proceeds to Company (2)</b>	<b>Total Possible Profit to Debenture Holders<sup>(3)</sup></b>	<b>Percentage of Return on Investment (Payments + Discounts) ÷ Net Proceeds<sup>(4)</sup></b>
\$ 5,561,052	\$ 2,171,100	\$ 3,389,952	\$ 1,121,954	97%

(1) Total gross proceeds payable to us.

(2) Total net proceeds to us calculated by subtracting the result in column (2) from the result in column (1).

(3) Total possible profit to Debenture Holders based on the aggregate discount to market price of the conversion of the Debentures and Warrants.

(4) Percentage equal to the total amount of possible payments to Debenture Holders under the Debentures (\$2,171,100) plus total possible discount to the market price of the shares underlying the Debentures (\$1,121,954) divided by the net proceeds to us resulting from the sale of the Debentures (\$3,389,952).

### Effect on Shares Outstanding

Firstgold transacted one prior financing with Cornell Capital effective as of January 27, 2006. The table below summarizes the number of shares originally registered in the prior transaction.

Number of Shares Outstanding Prior to Current Transaction	Number of Shares Outstanding Prior to 2006 Transaction	Number of Previously Registered Shares on Behalf of all Selling Stockholders <sup>(2)</sup>	Number of Shares Registered on Behalf of all Selling Stockholders	Percentage of Public Float <sup>(1)</sup>	Number of Shares Still Held on Behalf of Selling Stockholders	Number of Shares Sold in Registered Resale Transactions by Selling Stockholders	Number of Shares Registered for Resale of Selling Stockholder in Current Transaction <sup>(3)</sup>	Per Share Market price of Firstgold stock on Jan. 26, 2006	Per Share market price of Firstgold stock on Sept. 2, 2007
63,104,072	52,240,675	7,000,000	33,550,025	64.2%	7,000,000	5,165,168	20,635,588	\$0.21	\$0.62

<sup>(1)</sup>Represents the number of shares of common stock of the Company issued and outstanding as of January 27, 2006 (prior to the transaction with Cornell) held by persons other than Cornell, affiliates of Cornell and affiliates of the Company.

<sup>(2)</sup>Represents the total number of shares of common stock of the Company previously registered on behalf of Cornell and/or Cornell's affiliates prior to this registration statement being filed. on behalf of Cornell Capital.

<sup>(3)</sup>Includes 8,504,553 shares of common stock of the Company registered in the current registration statement filed on behalf of Cornell Capital.

The following table summarizes the number of shares being registered in the current transaction with Cornell Capital.

Number of Shares Outstanding Prior to Current Transactions Held by Non-Affiliates <sup>(1)</sup>	Number of Previously Registered Shares on Behalf of Selling Stockholders <sup>(2)</sup>	Number of Shares Still Held on Behalf of Selling Stockholders <sup>(3)</sup>	Number of Shares Sold in Registered Resale Transactions by Selling Stockholders	Percentage of Public Float <sup>(4)</sup>	Number of Shares Registered for Resale of Selling Stockholder in the Current Transaction
59,104,675	6,540,168	24,880,569	5,165,168	23%	20,635,588

<sup>(1)</sup>Represents the number of shares of common stock of the Company issued and outstanding as of September 26, 2006 (prior to the transaction with Cornell) held by persons other than Cornell, affiliates of Cornell and affiliates of the Company.

<sup>(2)</sup>Represents the total number of shares of common stock of the Company previously registered on behalf of Cornell and/or Cornell's affiliates prior to this registration statement and reflects the deregistration of 20,009,857 shares on behalf of Cornell.

<sup>(3)</sup> Represents the total number of shares of common stock of the Company held by Selling Security Holders.

<sup>(4)</sup> Percentage based upon 96,842,019 shares held by non-affiliates as of September 21, 2007.



## Copies of Agreements

Incorporated by reference to the Registration Statement to which this prospectus relates (see “Exhibits” below) are copies of all agreements between us and:

- Cornell Capital Partners, L.P. and other Selling Stockholders;
- any affiliates of Cornell Capital Partners, L.P. and other Selling Stockholders; and
- any person with whom Cornell Capital Partners, L.P. has a contractual relationship regarding the transaction in connection with the sale of the convertible debentures and attached warrants.

These documents include the following, which have been filed with the SEC as indicated:

- (1) . Securities Purchase Agreement between Firstgold Corp. and Cornell Capital Partners LP
  - (2) . Amendment to Securities Purchase Agreement
  - (1) . Secured Convertible Debenture for 1,000,000 (“Closing Debenture”)
  - (3) . Secured Convertible Debentures for \$1,000,000 (“Filing Debenture”)
  - (4) . Secured Convertible Debenture for \$1,000,000 (“Final Debenture”)
  - (1) . Registration Rights Agreement between Firstgold Corp. and Cornell Capital Partners LP
  - (2) . Amendment to Registration Rights Agreement
  - (3) . Pledge and Escrow Agreement with Cornell Capital and Amendment
  - (5) . Transfer Agent Instruction
  - (1) . “A Warrant” Agreement between Firstgold Corp. and Cornell Capital Partners LP
  - (1) . “B” Warrant Agreement between Firstgold Corp. and Cornell Capital Partners LP
  - (4) . Amended and Restated “B” Warrant Agreement between Firstgold Corp. and Cornell Capital Partners LP
  - (3) . Amendments to A and B Warrants
  - (3) . Amended Memorandum of Security Agreement
  - (6) . Amendment to Investor Registration Agreement
  - (7) . Warrants dated April 17, 2007
  - (8) . Form of Subscription Agreement for Regulation S offering in April 2007
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- (1) Filed as exhibit to Report on Form 8-K filed on September 29, 2006
- (2) Filed as exhibit to Amended Report on Form 8-K filed on November 24, 2006
- (3) Filed as exhibit to Amendment No. 1 to Registration Statement on Form SB-2, #333.139052 filed on February 8, 2007
- (4) Filed as exhibit to Report on Form 8-K filed on March 22, 2007
- (5) Filed as exhibit to Amendment No. 2 to Registration Statement on Form SB-2, #333.139052, filed April 16, 2007.
- (6) Filed as exhibit to Registration Statement on Form SB-2 #333-145016 filed August 1, 2007.
- (7) Incorporated by reference to Registrant's Form 8-K filed on May 11, 2007.
- (8) Filed as exhibit to Amendment No. 2 to Form SB-2 #333-145016 filed November 7, 2007.

## **USE OF PROCEEDS**

The Shares offered by this prospectus are being registered for the account of the selling stockholders. We will not receive any proceeds from the sale of Common Stock by the selling stockholders or the conversion of the Convertible Debentures. Proceeds from the exercise of warrants will be used for working capital.

## **MARKET FOR FIRSTGOLD COMMON STOCK AND RELATED STOCKHOLDER MATTERS**

### **Market for Our Common Stock**

In July 1997, our Common Stock was approved for quotation on the National Association of Securities Dealers' Over-the-Counter ("OTC") Bulletin Board where it traded under the symbol "NGLD" until June 2001. In June 2001, our Common Stock was moved to the "Pink Sheets" published by the Pink Sheets LLC (previously National Quotation Bureau, LLC). On June 7, 2005, our Common Stock was again approved for quotation on the OTC Bulletin Board with its symbol of "NGLD." Due to our name change to Firstgold Corp., effective December 1, 2006 our trading symbol was changed to "FGOC". As of October 24, 2007 the closing price of our Common Stock was \$0.60 per share.

### **Price Range of Our Common Stock**

A public trading market having the characteristics of depth, liquidity and orderliness depends upon the existence of market makers as well as the presence of willing buyers and sellers, which are circumstances over which we do not have control. The following table sets forth the high and low sales prices reported by the OTC Bulletin Board for our Common Stock in the periods indicated. The quotations below reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

<b>FIRSTGOLD CORP. COMMON STOCK</b>	<b>Low</b>	<b>High</b>
<b>Year Ending January 31, 2008</b>		
Second quarter (May-July)	\$0.56	\$0.72
First Quarter (February – April)	\$0.33	\$0.73
<b>Year Ending January 31, 2007</b>		
Fourth Quarter (November-January)	\$0.255	\$0.39
Third Quarter (August-October)	\$0.30	\$0.47
Second Quarter (May-July)	\$0.19	\$0.53
First Quarter (February-April)	\$0.14	\$0.245
<b>Year Ending January 31, 2006</b>		
Fourth Quarter (November-January)	\$0.12	\$0.225
Third Quarter (August-October)	\$0.10	\$0.29
Second Quarter (May-July)	\$0.20	\$0.34
First Quarter (February-April)	\$0.15	\$0.33

### Stockholders

As of July 31, 2007, there were approximately 1,134 holders of record of our Common Stock. This amount does not include stockholders whose shares are held in street name.

### Dividend Policy

We have never declared or paid any cash dividends on our Common Stock. We currently anticipate that we will retain all future earnings for the expansion and operation of our business and do not anticipate paying cash dividends in the foreseeable future.

### Securities Authorized For Issuance Under Equity Compensation Plans

On July 26, 2006, our Board of Directors adopted the 2006 Stock Option Plan. The 2006 Plan was submitted to and approved by stockholders at the 2006 annual stockholders meeting held on November 17, 2006. Under the terms of the 2006 Plan, we may grant options to purchase up to 5,000,000 shares of our common stock which can include Incentive Stock Options issued to employees and Nonstatutory Stock Options issuable to employees or consultants providing services to Firstgold on such terms as are determined by our board of directors. The Compensation Committee of our Board administers the 2006 Plan. Under the 2006 Plan, options vest not less than 20% per year and have 10-year terms (except with respect to 10% stockholders which have five-year terms).



If an option holder terminates his/her employment with us or becomes disabled or dies, the option holder or his/her representative will have a certain number of months to exercise any outstanding options. If we sell substantially all of our assets or are a party to a merger or consolidation in which we are not the surviving corporation, then we have the right to accelerate unvested options and will give the option holder written notice of the exercisability and specify a time period in which the option may be exercised.

All options will terminate in their entirety to the extent not exercised on or prior to the date specified in the written notice unless an agreement governing any change of control provides otherwise. As of July 31, 2007, options to purchase 3,850,000 shares of common stock had been issued as follows: 500,000 options issued to A. Scott Dockter; 400,000 options issued to James Kluber; 750,000 options issued to each of Terrence Lynch and Stephen Akerfeldt; 500,000 options issued to each of Donald Heimler and Fraser Berill; and 450,000 options issued to other employees for the purchase of Firstgold restricted common stock. At the 2007 Annual Stockholders Meeting held on September 20, 2007, stockholders approved an increase in the shares issuable under the 2006 Plan to 10,000,000 shares.

### **Shares Issuable Upon Conversion of Convertible Debentures**

Of the original \$3,000,000 principal amount of Convertible Debentures held by Cornell Capital all of this amount, with accrued interest, was converted between July 13, 2007 and October 31, 2007 into 7,080,450 shares of the Registrant's common stock. This amount represents 6,666,667 shares issued upon conversion of the Debenture principal and 413,783 shares issued for accrued interest on such Debentures. Debentures in the principal amount of \$650,000 remain outstanding.

## **BUSINESS**

### **General**

Firstgold Corp. ("we," "us," "our" or "Firstgold") has embarked on a business strategy whereby it will invest in, explore and if warranted, conduct mining operations of its current mining properties and other mineral producing properties. Firstgold is a public company that in the past has been engaged in the acquisition and exploration of gold-bearing properties in the continental United States. Currently, Firstgold's principal assets include various mineral leases associated with the Relief Canyon Mine located near Lovelock, Nevada along with various items of mining equipment and improvements located at that site. Firstgold has also entered into a joint venture intended to explore additional mining properties known as the Red Caps Project and Crescent Valley Project, both of which are located in Lander County, Nevada. Firstgold has also secured rights to explore approximately 35,000 acres of property located in Elko County, Nevada.

From 1995 until the beginning of 2000, Firstgold had followed the above described business activity focusing on the exploration and mining of gold and silver ore deposits. At the beginning of 2000, Firstgold's business strategy became focused on investing in Internet start-up companies. That strategy was not successful and by mid-2001 Firstgold had abandoned such investments. From approximately July 2001 until February 2003 Firstgold had been inactive. During the period of inactivity, ASDi LLC, an entity controlled by A. Scott Dockter who is also the President and CEO of Firstgold, has made the necessary expenditures to maintain the current status of the Relief Canyon mining claims. In February 2003, Firstgold resumed its business of acquiring, exploring and if warranted developing its mining properties.

Firstgold's mailing address is 3108 Ponte Morino Drive, Suite 210, Cameron Park, CA 95682 and its telephone number is (530) 677-5974.

## **The Company**

Firstgold Corp., a Delaware corporation, has been engaged in the acquisition and exploration of gold-bearing properties in the continental United States since 1995. In fiscal 1999 Firstgold placed its only remaining property, the Relief Canyon Mine, located in Pershing County, Nevada, on a care and maintenance status. During fiscal 2000, Firstgold executed a contract to sell the Relief Canyon Mine to A. Scott Dockter, then Chairman of Firstgold; however the sale was never completed and the asset remains the property of Firstgold. It is now Firstgold's intention to resume mining at the Relief Canyon Mine. See "Business" below for further detail.

Firstgold's independent accountants have included a "going concern" explanatory paragraph in their report dated May 16, 2007 on Firstgold's financial statements for the fiscal year ended January 31, 2007, indicating substantial doubt about Firstgold's ability to continue as a going concern (See Note 2 of Financial Footnotes). If Firstgold's exploration program is not successful or if insufficient funds are available to carry out Firstgold's business plans, then Firstgold will not be able to execute its business plan.

For financial information regarding Firstgold, see "Financial Statements."

## **Business**

Firstgold is an "exploration stage" company engaged in the search and/or verification of ore deposits (reserves) in its property. Our business will be to acquire, explore and, if warranted, develop various mining properties located in the state of Nevada. We plan to carryout comprehensive exploration and, if warranted, development programs on our properties. While we currently plan to fund and conduct these activities ourselves, we may in the future outsource some of these activities through the use of various joint venture, royalty or partnership arrangements pursuant to which other companies would agree to finance and carryout the exploration and possible future development programs on our mining properties. Our current plan will require the hiring of various mining employees to perform exploration and mining activities for our various mining properties.

## **Properties**

### Relief Canyon Mine

The Relief Canyon Mine is an open-pit, heap leaching operation located approximately 110 miles northeast of Reno, Nevada. Firstgold held 50 unpatented mining claims covering approximately 1000 acres until October 2004 at which time Firstgold completed re-staking the Relief Canyon mill site and lode claims. Firstgold currently holds a total of 146 claims including 120 mill site claims and 26 unpatented mining claims. The annual payments to maintain these claims are approximately \$15,600. The mine is readily accessible by improved roads. Water for mining and processing operations is provided by two wells located on the property in close proximity to the mine and processing facilities. Power is provided by a local rural electric association and phone lines are present at the mine site.

Relief Canyon is located in the Humboldt Range, a mining district in Pershing County, Nevada.

### Background and History

On January 10, 1995, Firstgold purchased the Relief Canyon mine from J.D. Welsh & Associates for \$500,000. The mine at that time consisted of 39 unpatented lode mining claims covering approximately 780 acres and a lease for access to an additional 800 acres contiguous to the 39 claims located on Firstgold's property. Located on the property are, a building containing five carbon tanks and a boiler for carbon strip solution, four detoxified leach pads, a preg pond for gold bearing solution, a barren pond for solution from which gold had been removed, water rights, and various permits. From acquisition through November 1997, Firstgold refurbished the processing facilities by the purchase and installation of all equipment required to process the gold bearing leach solution when the mine was returned to production in 1997. During 1997, Firstgold staked an additional 402 claims. However, subsequent to January 31, 1998, Firstgold reduced the total claims to 50 (covering approximately 1,000 acres). In 1999 Firstgold placed the mine in a care and maintenance status.

If mining operations are not resumed at the Relief Canyon mine, it is possible Firstgold may be required to reclaim the mine. Reclamation consists of recontouring the four heaps to a 3:1 slope, sale and removal of the building and its contents, evaporation of all water in both ponds and burial of the building foundation and floor within the ponds' liners under the soil contained in the pond berms. Finally, native vegetation must be re-established in all areas of disturbance.

During 1996, Repadre Capital Corporation ("Repadre") purchased for \$500,000 a net smelter return royalty (Repadre Royalty). Repadre was to receive a 1.5% royalty from production at each of the Relief Canyon Mine and Mission Mines. In July 1997, an additional \$300,000 was paid by Repadre for an additional 1% royalty from the Relief Canyon Mine. In October, 1997, when the Mission Mine lease was terminated, Repadre exercised its option to transfer the Repadre Royalty solely to the Relief Canyon Mine resulting in a total 4% royalty. The total amount received of \$800,000 has been recorded as deferred revenue in the accompanying financial statements.

### Plan for Relief Canyon

Based on past exploration by us and work done by others, we believe the Relief Canyon Mine presents the potential for gold bearing ore deposits which will hopefully be validated through further exploration of additional mining claims.

The Relief Canyon properties include 146 millsite claims and unpatented mining claims contained in about 1,000 acres.

Firstgold's operating plan is to place the most promising mining targets into production during the 2008 calendar year, and use the net proceeds from these operations, if any, to fund expanded exploration and, if warranted, development of its entire property holdings. By this means, Firstgold intends to progressively enlarge the scope and scale of the mining and processing operations, thereby increasing Firstgold's annual revenues and eventually its net profits.

Firstgold's goals for environmental protection and reclamation are for minimal environmental disturbance during mining, and reclamation and/or restoration of the disturbed area after mining ceases. The economics of Firstgold's operations will permit this environmentally responsible plan of operations.

We will initially focus on exploring the North Relief Canyon mining property. We recently posted a \$613,500 reclamation bond with the Nevada Bureau of Mining Regulations and Reclamation ("BMRR") which allows us to apply for new permits for mining and processing on the property. Posting the reclamation bond completes the Activities of Compliance mandated by the Bureau of Land Management ("BLM") and Nevada Department of Environmental Protection ("NDEP") before any work can commence. We have completed approximately 75% of all the environmental work required by NDEP in the Administrative Order of Consent issued May 2005 (the AOC). The purpose of the AOC is to bring the Relief Canyon mine up to current environmental compliance.

On September 25, 2006 we submitted our "Plan of Operations" for the Relief Canyon Mining Project to the NDEP. The Plan contains extensive details on how the mine will operate if and when production is achieved. The Plan includes an intention to reprocess the existing heaps containing approximately 8 million tons of ore and the construction of a new heap leach pad. The Plan also includes facilities and processes which are compliant with our "Green Initiative" to construct and operate an environmentally conscience project.

On October 19, 2006 we received notice from the NDEP that we would be allowed to attach our current Plan of Operations as an amendment to a previous Plan of Operations submitted in 1996. This consolidation of Plans is expected to significantly reduce the processing time and documentation necessary to secure our production permit from the NDEP which will allow us to commence processing ore at the Relief Canyon Mining Project. On April 9, 2007 we received notice from the NDEP that Firstgold's Plan of Operation had been reinstated. With this approval, Firstgold is allowed to proceed at Relief Canyon with onsite construction, drilling, operations and, if deemed appropriate, production, subject to final determination and posting of reclamation bonds.

To assist us in this effort, we have retained Dyer Engineering Consultants, Inc. as our lead engineering firm for the permitting and compliance engineering work at the Relief Canyon and other exploration projects in Nevada.

Once we have achieved environmental compliance, we can proceed with the permits to commence full scale exploration and mining activities. The estimated time for completing the permitting process is between six months to nine months. However, upon posting the reclamation bond, we are able to carry on limited operations pending full permitting for full mining operations.

#### Description of Past Exploration and Existing Exploration Efforts

Over 400 reverse circulation holes have been drilled at the Relief Canyon project. Of the 400 holes drilled, 106 had intercepts of gold bearing ore structures of 0.1 gold/ton content. Additionally there are numerous holes with several feet of 0.09 - 0.099 gold/ton content.



The mineral zone of Relief Canyon is open ended on three sides. It is projected that additional drilling will increase the size of possible reserves. Most of the drilling to date was targeted for open pit mining, resulting in shallow holes which did not test for possible deeper ore deposits. A significant number of deep holes with 0.3 gold/ton and better were drilled on the North end of the property. This area is targeted for initial underground mining development. Additional exploration holes will be drilled when underground mining commences throughout the various ore zones to determine future development. Firstgold has acquired one mobile drilling rig to conduct this drilling program and is seeking to acquire or rent a second drilling rig.

Typically, grade values of the Relief Canyon drill holes are reduced as a result of finds being lost down the hole or vented out as dust. Actual mining and recovery of gold in the milling process will determine the loss if any which could be as much as 30%.

In late May 2007 we completed 57 drill holes at Relief Canyon using sonic drilling. The patented sonic drill head works by sending high frequency resonant vibrations down the drill string of the drill bit while the operator controls the frequencies to suit the specific conditions of the soil/rock geology. This current round of drilling is intended to improve our understanding of the mineral content in the existing heap leach pads. We have also completed 58 of a planned 120 reverse circulation drill holes in the existing pit area. Fire assays have been returned on the first 34 of these holes which are designed to evaluate three specific exploration target areas.

We have retained SRK Engineering to perform a resource evaluation of the Relief Canyon Property.

#### Possible Underground Mining Efforts

We will pursue exploration drilling to further identify areas of possible gold-bearing ore deposits. Results of this additional drilling will allow us to better evaluate whether eventual underground mining efforts may be justified particularly at the North end of the property. Future development of our underground mining activity will also be dependent on the availability of adequate capital to initiate and sustain this effort. Underground mining is very expensive costing in the range of \$600 to \$1,000 per linear foot of underground development.

#### Ore Processing Facilities

In October 2006, we commenced revitalization of our process solution ponds. The existing Pregnant and Barren ponds, which manage the process solutions, have been cleaned and relined with the latest technology of fluid containment. In keeping with our "Green Initiative," this will include new leak detection equipment and protocols. In addition, a new solution transmission channel will be constructed between the site of the proposed heap leach pad and the existing solution ponds. Upon completion, we plan to process approximately 8 million metric tons of existing lower grade oxide ores by heap leaching. Heap leaching consists of stacking crushed or run-of-mine ore in impermeable ponds, where a weak cyanide solution is applied to the top surface of the heaps to dissolve the gold.

Higher-grade oxide ores are processed through mills, where the ore is ground into a fine powder and mixed with water in slurry, which then passes through a cyanide leaching circuit. In both cases, the gold-bearing solution is then collected and pumped to facilities to remove the gold by collection on carbon or by zinc precipitation directly from leach solutions.

Some gold-bearing sulfide ores may be processed through a flotation plant. In flotation, ore is finely ground, turned into slurry, then placed in a tank known as a flotation cell. Chemicals are added to the slurry causing the gold-containing sulfides to float in air bubbles to the top of the tank, where they can be separated from waste particles that sink to the bottom.

The sulfides are removed from the cell and converted into a concentrate that can then be processed in an autoclave or roaster to recover the gold. The ore is then processed through an oxide mill.

A 350 ton per day ore processing facility is presently under construction at the property site. We have also contracted to purchase a new jaw crushing unit to crush ore materials.

### Crescent Red Caps LLC

#### Overview

We are interested in acquiring exploration rights to certain properties which consist of two leases of unpatented mining claims for which ASDi LLC is the lessee however we do not currently own any interest in the properties. ASDi LLC and Firstgold are the only parties to an Operating Agreement for and the only members of the Crescent Red Caps LLC, a Nevada limited liability company (“Crescent Red Caps LLC”) formed for the intended purpose of exploring the properties. The terms of the Operating Agreement for Crescent Red Caps LLC provided for Firstgold to own an initial 22.22% interest in the LLC and be the Manager and the remaining 77.78% interest to be held by ASDi LLC, a California limited liability company owned by A. Scott Dockter, President and CEO of Firstgold. Additionally, by the terms of the Operating Agreement, Firstgold, by making expenditures over three years (January 2006 - January 2009) aggregating \$2,700,000, can acquire a 66.66% overall interest in the Crescent Red Caps LLC. Firstgold would then have the opportunity to purchase the remaining Crescent Red Caps LLC interest held by ASDi LLC based on the results of the exploration work contemplated by these additional expenditures.

The properties intended to be explored by the Crescent Red Caps LLC are located in northeastern Nevada, approximately 60 miles southwest of Elko, Nevada in Lander County. The properties are accessed via Nevada State Highway 306, which extends southward from U.S. Interstate 80, both of which are paved roads.

On October 13, 2006 and November 1, 2006 the lessors gave notices of termination of the two leases. The lessors are claiming that the assignment of the leases by ASDi LLC to Crescent Red Caps LLC was either ineffective or in breach of the leases. While ASDi LLC disputes the lease terminations, the matter has yet to be resolved. On February 8, 2007, the lessors filed a lawsuit seeking to terminate the leases (see the section “Legal Proceedings” below). As a result of this litigation neither Firstgold nor Crescent Red Caps LLC claim any interest in the above leases or properties and will not expend funds on its exploration program on the properties unless and until this lease dispute is resolved.

### Antelope Peak

On October 24, 2006, we entered into a Mineral Lease Agreement with the owners of approximately 25,000 acres of property located in Elko County, Nevada (the “Antelope Peak” property). The Lease allows Firstgold the exclusive right to explore for and, if warranted, develop gold, silver and barite minerals on the leased property. The Lease has an initial term of five (5) years; however the term can be automatically extended thereafter for so long as Firstgold is engaged in mining operations.

To date we have performed an Aerial Ground Magnetic Survey which allows our geologists to identify targets for more detailed exploration. We have also conducted extensive ground sampling on the property.

### Horse Creek

On July 9, 2007, we completed staking claims on approximately 4,200 acres of potentially mineralized ground in the Horse Creek area of Nevada. We have conducted preliminary sampling of the area. During the course of the property evaluation, rock chip samples were collected. This sampling has shown the potential presence of intrusion-related gold systems. The next phase of this project will be to conduct extensive mapping of the area’s bedrock geology. Additionally, we plan to conduct an airborne geophysical survey to map the magnetic character of the rocks. Geochemical exploration efforts will continue with more rock chip sampling as well as an in-depth soil sampling survey.

### **Industry Overview**

The gold mining and exploration industry has experienced several factors recently that are favorable to Firstgold as described below.

The spot market price of an ounce of gold has increased from a low of \$253 in February 2001 to a high of \$739 in September 2007. The price was \$731 as of September 21, 2007. This current price level has made it economically more feasible to produce gold as well as made gold a more attractive investment for many. Firstgold is projecting a cash cost per ounce of gold produced in a range of \$170 to \$225.

Accordingly, the gross margin per ounce of gold produced per the historical spot market price range above provides significant profit potential if we are successful in identifying and mining gold at Relief Canyon mine.

By industry standards, there are generally four types of mining companies. Firstgold is considered an “exploration stage” company. Typically, an exploration stage mining company is focused on exploration to identify new, commercially viable gold deposits. “Junior mining companies” typically have proven and probable reserves of less than one million ounces of gold, generally produces less than 100,000 ounces of gold annually and / or are in the process of trying to raise enough capital to fund the remainder of the steps required to move from a staked claim to production. “Mid-tier” and large mining (“senior”) companies may have several projects in production plus several million ounces of gold in reserve.

Generally gold reserves have been declining for a number of years for the following reasons:

- The extended period of low gold prices from 1996 to 2001 made it economically unfeasible to explore for new deposits for most mining companies.
- The demand for and production of gold products have exceeded the amount of new reserves added over the last several consecutive years.

Reversing the decline in lower gold reserves is a long term process. Due to the extended time frame it takes to explore, develop and bring new production on line, the large mining companies are facing an extended period of lower gold reserves. Accordingly, junior companies that are able to increase their gold reserves more quickly should directly benefit with an increased valuation.

Additional factors causing higher gold prices over the past two years have come from a weakened United States dollar. Reasons for the lower dollar compared to other currencies include the historically low US interest rates, the increasing US budget and trade deficits and the general worldwide political instability caused by the war on terrorism.

### **Competition**

Of the four types of mining companies, we believe junior companies represent the largest group of gold companies in the public stock market. All four types of mining companies may have projects located in any of the gold producing continents of the world and many have projects located near the Relief Canyon mine in Nevada. Many of our competitors have greater exploration, production, and capital resources than we do, and may be able to compete more effectively in any of these areas. Firstgold's inability to secure capital to fund exploration and possible future production capacity, would establish a competitive cost disadvantage in the marketplace which would have a material adverse effect on its operations and potential profitability.

We also compete in the hiring and retention of experienced employees. Consequently, we may not be able to hire qualified miners or operators in the numbers or at the times desired.

### **Employees**

As of August 31, 2007, we had 21 full-time employees and one part-time employee. Employees include a Mine Manager, Chief Geologist and Senior Geologist, a Lead Driller and a Plant Metallurgist. We anticipate hiring additional employees during the current year to work on the mining sites in Nevada as our exploration program is initiated. While skilled equipment and operations personnel are in demand, we believe we will be able to hire the necessary workers to implement our exploration program. Our employees are not expected to be subject to a labor contract or collective bargaining agreement. We consider our employee relations to be good.

Consulting services, relating primarily to geologic and geophysical interpretations, and relating to such metallurgical, engineering, and other technical matters as may be deemed useful in the operation of our exploration activities, will be provided by independent contractors.

## **Government Controls and Regulations**

Our exploration, mining and processing operations are subject to various federal, state and local laws and regulations governing prospecting, exploration, development, production, labor standards, occupational health, mine safety, control of toxic substances, and other matters involving environmental protection and employment. United States environmental protection laws address the maintenance of air and water quality standards, the preservation of threatened and endangered species of wildlife and vegetation, the preservation of certain archaeological sites, reclamation, and limitations on the generation, transportation, storage and disposal of solid and hazardous wastes, among other things.

There can be no assurance that all the required permits and governmental approvals necessary for any mining project with which we may be associated can be obtained on a timely basis, or maintained. Delays in obtaining or failure to obtain government permits and approvals may adversely impact our operations. The regulatory environment in which we operate could change in ways that would substantially increase costs to achieve compliance. In addition, significant changes in regulation could have a material adverse effect on our operations or financial position.

Outlined below are some of the more significant aspects of governmental controls and regulations which materially affect our interests in the Relief Canyon and Antelope Peak properties.

### Regulation of Mining Activity

Firstgold's mining activities, including care and maintenance, exploration, and possible future development and production activities are subject to environmental laws, policies and regulations. These laws, policies and regulations regulate, among other matters, emissions to the air, discharges to water, management of waste, management of hazardous substances, protection of natural resources, protection of endangered species, protection of antiquities and reclamation of land. The mines are also subject to numerous other federal, state and local laws and regulations. At the federal level, the mines are subject to inspection and regulation by the Division of Mine Safety and Health Administration of the Department of Labor ("MSHA") under provisions of the Federal Mine Safety and Health Act of 1977. The Occupation and Safety Health Administration ("OSHA") also has jurisdiction over certain safety and health standards not covered by MSHA. Mining operations and all future exploration and development will require a variety of permits.

Although we believe the permits can be obtained in a timely fashion, permitting procedures are complex, costly, time consuming and subject to potential regulatory delay. We do not believe that existing permitting requirements or other environmental protection laws and regulations would have a material adverse effect on our ability to explore and eventually operate the mines. However, we cannot be certain that future changes in laws and regulations would not result in significant additional expenses, capital expenditures, restrictions or delays associated with the operation of our properties. We cannot predict whether we will be able to obtain new permits or whether material changes in permit conditions will be imposed. Granting new permits or the imposition of additional conditions could have a material adverse effect on our ability to explore and operate the mining properties in which we have an interest.

On June 9, 2005, we received permission from the NDEP to commence designated environmental activities previously requested by us. In January 2006, we made a cash deposit of \$243,204 to cover future reclamation costs as required by the NDEP for the Relief Canyon Mine.

As indicated previously, in September 2006 we submitted our Application for Water Pollution Control Permit and Design Report for the Relief Canyon project. We are now moving forward with the permitting process that will allow us to perform additional exploration activities.

In September 2006, we submitted our “Application for Water Pollution Control Permit and Design Report” with the NDEP. This document provides the BLM and NDEP with information regarding the characteristics of the site, proposed management of process fluids, monitoring and tentative plans for the eventual closure of operations. In addition, this fulfills Nevada state requirements and illustrates the plan to prevent undue degradation of public lands while the Relief Canyon Mining Project is in operation.

On October 19, 2006 we received notice from the NDEP that we would be allowed to attach our current Plan of Operations for Relief Canyon submitted on September 15, 2006 as an amendment to the previous Plan of Operations submitted in 1996. This consolidation of Plans is expected to significantly reduce the processing time and documentation necessary to secure our production permit from the NDEP for the Relief Canyon project. We are also required to increase the reclamation cost deposit from \$243,204 to \$613,500 which will be placed in a blocked account with our bank in Sacramento, California. The increased deposit was made in March 2007. On April 9, 2007 we received notice from the NDEP that Firstgold’s Plan of Operation has been reinstated. With this approval, Firstgold is allowed to commence onsite operations subject to final determination and posting of reclamation bonds.

On November 16, 2006, the NDEP notified Firstgold of certain violations that had occurred pertaining to the unauthorized release of water from one of the preg ponds at the Relief Canyon mining site in early November 2006. On August 14, 2007, Firstgold was notified that a fine of \$9,000 had been assessed for these violations. Firstgold paid the fine in full on August 21, 2007. Such violation and fine is not expected to affect the permitting process or exploration program at the Relief Canyon Mine site.

Legislation has been introduced in prior sessions of the U.S. Congress to make significant revisions to the U.S. General Mining Law of 1872 that would affect our unpatented mining claims on federal lands, including a royalty on gold production. It cannot be predicted whether any of these proposals will become law. Any levy of the type proposed would only apply to unpatented federal lands and accordingly could adversely affect the profitability of portions of any future gold production from the Relief Canyon mine.

The State of Nevada, where our mine properties are located, adopted the Mined Land Reclamation Act (the “Nevada Act”) in 1989 which established design, operation, monitoring and closure requirements for all mining facilities. The Nevada Act has increased the cost of designing, operating, monitoring and closing mining facilities and could affect the cost of operating, monitoring and closing existing mine facilities. The State of Nevada also has adopted reclamation regulations pursuant to which reclamation plans must be prepared and financial assurances established for existing facilities. The financial assurances can be in the form of cash placed on deposit with the State or reclamation bonds underwritten by insurance companies.

The State of Nevada has requested financial assurances from or a posting of a bond by us in the amount of \$464,000. We prepared a specific reclamation plan of the Relief Canyon Mine and began implementation of the plan in April 2005. This work was completed in the summer of 2005. As a result of completing the work, the State of Nevada reduced the financial assurance amount to \$243,204 which we have deposited in a blocked account with our bank in Sacramento, California. In March 2007, we increased the reclamation cost deposit to \$613,500. We have now completed the Activities of Compliance required by BLM and NDEP which was a prerequisite to the issuance of mining permits. Our ability to commence full mining operations at the Relief Canyon Mine is subject to our obtaining all necessary mining permits.

### Environmental Regulations

Legislation and implementation of regulations adopted or proposed by the United States Environmental Protection Agency ("EPA"), the BLM and by comparable agencies in various states directly and indirectly affect the mining industry in the United States. These laws and regulations address the environmental impact of mining and mineral processing, including potential contamination of soil and water from tailings discharges and other wastes generated by mining companies. In particular, legislation such as the Clean Water Act, the Clean Air Act, the Federal Resource Conservation and Recovery Act ("RCRA"), the Environmental Response, Compensation and Liability Act and the National Environmental Policy Act require analysis and/or impose effluent standards, new source performance standards, air quality standards and other design or operational requirements for various components of mining and mineral processing, including gold-ore mining and processing. Such statutes also may impose liability on us for remediation of waste we have created.

Gold mining and processing operations by an entity would generate large quantities of solid waste which is subject to regulation under the RCRA and similar state laws. The majority of the waste which is produced by such operations is "extraction" waste that EPA has determined not to regulate under RCRA's "hazardous waste" program. Instead, the EPA is developing a solid waste regulatory program specific to mining operations under the RCRA. Of particular concern to the mining industry is a proposal by the EPA entitled "Recommendation for a Regulatory Program for Mining Waste and Materials Under Subtitle D of the Resource Conservation and Recovery Act" ("Strawman II") which, if implemented, would create a system of comprehensive Federal regulation of the entire mine site.

Many of these requirements would be duplicates of existing state regulations. Strawman II as currently proposed would regulate not only mine and mill wastes but also numerous production facilities and processes which could limit internal flexibility in operating a mine. To implement Strawman II the EPA must seek additional statutory authority, which is expected to be requested in connection with Congress' reauthorization of RCRA.

We also are subject to regulations under (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA" or "Superfund") which regulates and establishes liability for the release of hazardous substances and (ii) the Endangered Species Act ("ESA") which identifies endangered species of plants and animals and regulates activities to protect these species and their habitats. Revisions to "CERCLA" and "ESA" are being considered by Congress; however, the impact of these potential revisions on us is not clear at this time.

The Clean Air Act, as amended, mandates the establishment of a Federal air permitting program, identifies a list of hazardous air pollutants, including various metals and cyanide, and establishes new enforcement authority. The EPA has published final regulations establishing the minimum elements of state operating permit programs. Firstgold will be required to comply with these EPA standards to extent adopted by the State of Nevada.

In addition, we are required to mitigate long-term environmental impacts by stabilizing, contouring, resloping, and revegetating various portions of a site. While a portion of the required work was performed concurrently with prior operations, completion of the environmental mitigation occurs once removal of all facilities has been completed. These reclamation efforts are conducted in accordance with detailed plans which have been reviewed and approved by the appropriate regulatory agencies. We have made the necessary cash deposits and we made provision to cover the estimated costs of such reclamation as required by permit.

We believe that our care and maintenance operation at the Relief Canyon Mine, as it exists today, is in substantial compliance with federal and state regulations and is consistent with our Green Initiative approach to environmental impact and that no further significant capital expenditures for environmental control facilities will be required unless and until production resumes at the site.

## **DESCRIPTION OF PROPERTY**

Firstgold's executive office is located at 3108 Ponte Morino Drive, Suite 210, Cameron Park, California 95682. Firstgold also owns and maintains an office at 1055 Cornell Avenue, Lovelock, Nevada 89419.

### **Mining Property Rights**

#### Relief Canyon Property

Our mining property rights are represented by 146 unpatented mill site and mining lode claims which were re-staked in October 2004 and June 2006. Unpatented mining claims are generally considered subject to greater title risks than patented mining claims or real property interests that are owned in fee simple. To remain valid, such unpatented claims are subject to annual maintenance fees. As of July 31, 2007, we were current in the payment of such maintenance fees.

In connection with the Securities Purchase Agreement dated September 26, 2006, we executed a Security Agreement in favor of Cornell Capital Partners granting them a first priority security interest in all of our leasehold interests and mining rights to the Relief Canyon property as well as any equipment or improvements located in such property. Cornell Capital Partners also holds a security interest in all of Firstgold's other assets. The Security Agreement and UCC filing state that if an event of default occurs under the Securities Purchase Agreement, Secured Convertible Debentures or Security Agreement, Cornell Capital Partners have the right to take possession of the collateral, to operate our business using the collateral, and have the right to assign, sell, lease or otherwise dispose of and deliver all or part of the collateral, at public or private sale or otherwise to satisfy our obligations under these agreements.



Dalton Livestock and Winchell Ranch Mineral Lease

On October 24, 2006, we entered into a Mineral Lease Agreement with the owners of approximately 35,000 acres of property located in Elko County, Nevada (the “Antelope Peak” property). The Lease allows Firstgold the exclusive right to explore for and, if warranted, develop gold, silver and barite minerals on the leased property. The Lease includes exploration, mining and access rights, deposit of waste material, mineral processing and water rights. The Lease has an initial term of five (5) years; however the term can be automatically extended thereafter for so long as Firstgold is engaged in mining operations.

Firstgold paid \$20,000 upon the signing of the Lease and is required to pay rent of \$50,000 per year. Firstgold is required to expend the following sums for exploration work on the premises: first year - \$150,000; second year - \$450,000; third year - \$1,000,000; fourth year - \$1,500,000; and fifth year - \$2,000,000. In addition, should mining operations be commenced, the Lessors would be entitled to a percentage of net smelter returns ranging from 2% to 5% depending on the price of gold. A finder’s fee of 2,000,000 common shares and 2,000,000 warrants to purchase common shares at a price of \$0.50 per common share were issued to an unrelated third party at the date of signing the Lease. The warrants have a term of three years.

Horse Creek Property

On July 9, 2007, we completed staking claims on approximately 4,200 acres of ground in the Horse Creek area located approximately 100 miles Northeast of Reno, Nevada. These claims are staked claims on property owned by the U.S. Bureau of Land Management (“BLM”). Such staking of claims is permitted on U.S. Government property; however such claims must be filed with the BLM and any significant drilling or development activity will be subject to the review and approval of the BLM and NDEP.

Upon conclusion of all mineral exploration and mining operations, if any, Firstgold is required to restore the property.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

**Caution About Forward-Looking Statements**

This prospectus includes “forward-looking” statements about future financial results, future business changes and other events that haven’t yet occurred. For example, statements like we “expect,” “anticipate” or “believe” are forward-looking statements. Investors should be aware that actual results may differ materially from our expressed expectations because of risks and uncertainties about the future. We do not undertake to update the information in this prospectus if any forward looking statement later turns out to be inaccurate. Details about risks affecting various aspects of our business are discussed throughout this prospectus and should be considered carefully.

## Plan of Operation for the Next Twelve Months

Certain key factors that have affected our financial and operating results in the past will affect our future financial and operating results. These include, but are not limited to the following:

- Gold prices, and to a lesser extent, silver prices.
- Current mineralization at the Relief Canyon Mine are estimated by us (based on past exploration by Firstgold and work done by others).
- Our proposed exploration of properties now include 146 millsite and unpatented mining claims contained in about 1000 acres of the Relief Canyon Property; and the 25,000 acre Antelope Peak property and approximately 4,200 acres in the Horse Creek area of Nevada.
- Our operating plan is to commence exploration work on the Relief Canyon property during 2007. We expect this exploration program to continue through the end of 2007. During 2008, we plan to resume heap leaching at the Relief Canyon mine and we anticipate realizing production revenue from the Relief Canyon mine thereafter. Through the sale of additional securities and/or the use of joint ventures, royalty arrangements and partnerships, we intend to progressively enlarge the scope and scale of our exploration, mining and processing operations, thereby potentially increasing our chances of locating commercially viable ore deposits which could increase both our annual revenues and ultimately our net profits. Our objective is to achieve annual growth rates in revenue and net profits for the foreseeable future.
- We expect to make capital expenditures in calendar years 2006, 2007 and 2008 totaling between \$15 million and \$20 million, including costs related to the exploration, development and operation of the Relief Canyon mining property. We will have to raise additional outside capital to pay for these activities and the resumption of exploration activities and possible future production at the Relief Canyon mine.
- Additional funding or the utilization of other venture partners will be required to fund exploration, research, development and operating expenses at the Horse Creek and Antelope Peak properties when and if such activity is commenced at these properties. In the past we have been dependent on funding from the private placement of our securities as well as loans from related and third parties as the sole sources of capital to fund operations.

## Results of Operation

Our current business strategy is to invest in, explore and if warranted, conduct mining operations of our current mining properties and other mineral producing properties. Firstgold is a public company that in the past has been engaged in the acquisition and exploration of gold-bearing properties in the continental United States. Currently, our principal assets include various mineral leases associated with the Relief Canyon Mine located near Lovelock, Nevada along with various items of mining equipment and improvements located at that site. We have also entered into (i) a joint venture intended to allow exploration of additional mining properties located in Lander County, Nevada (and currently subject to litigation) and (ii) a mineral lease to explore approximately 25,000 acres of property located in Elko County, Nevada.

Operating Results for the Fiscal Years Ended January 31, 2007 and 2006

Although we commenced efforts to re-establish our mining business early in fiscal year 2004, no mining operations have commenced and no revenues have been recognized during the fiscal years 2005, 2006 and 2007, respectively. We have granted a 4% net smelting return royalty to a third party related to the Relief Canyon mining property which has been recorded as an \$800,000 deferred option income.

During the fiscal year ended January 31, 2007 we spent \$1,591,497 on exploration, reclamation and maintenance expenses related to our mining properties. Exploration, reclamation and maintenance expenses expended during the year ended January 31, 2006 were \$132,166. These expenses relate primarily to maintenance and retention costs required to maintain our mining claims. We incurred operating expenses of \$1,955,816 during the year ended January 31, 2007. Of this amount, \$850,869 reflects director, officer and staff compensation and related payroll taxes during the year, \$445,940 reflect fees for outside professional services, and \$396,361 for promotional expense. A large portion of the outside professional services reflects legal and accounting work pertaining to our annual and quarterly reporting on Form 10-KSB and preparation of two SB-2 registration statements occurring in fiscal year 2007. During the year ended January 31, 2006 we incurred operating expenses of \$674,778 of which \$374,000 represents officer compensation and related payroll taxes, and \$157,446 reflect fees for outside professional services. It is anticipated that both mining costs and operating expenses will increase significantly as we resume our exploration program and mining operations.

We incurred interest expense of \$596,975 during the year ended January 31, 2007 which compares to interest expenses of \$941,347 incurred during the year ended January 31, 2006. The amount of loans outstanding during fiscal year 2007 increased by \$1,722,615 compared to fiscal year 2006, which was primarily the result of the increase in convertible debentures of \$2,050,000 during fiscal 2007. The higher interest expense during fiscal year 2006 was primarily due to the increase in accretion of warrants issued in October 2004 as a debt discount.

In conjunction with the Convertible Debentures issued during fiscal 2007, we allocated the proceeds received between convertible debt and the detachable warrants based upon the relative fair market values on the date the proceeds were received. Subsequent to the initial recording, the change in the fair value of the detachable warrants, determined under the Black-Scholes option pricing formula, and the change in the fair value of the embedded derivative in the conversion feature of the convertible debentures are recorded as adjustments to the liabilities at January 31, 2007 and 2006. This resulted in \$616,493 of expense relating to the change in the fair value of Firstgold's stock reflected in the change in the fair value of the warrants and derivatives (noted above) and is included as other income (expense). This expense was \$37,418 for the fiscal year ending January 31, 2006.

Due to the fact that the joint venture with ASDi LLC was a related party transaction with no independent appraisal as to value, the joint venture was assigned a zero value for accounting purposes and the \$859,522 of securities paid by Firstgold during fiscal year 2006 was recorded as a loss for accounting purposes.

Our total net loss for the year ended January 31, 2007 increased to \$4,728,070 compared to a net loss of \$2,645,231 incurred for the fiscal year ended January 31, 2006. The larger net loss in fiscal year 2007 reflects the substantial increase in operating expenses as we reactivate our mining activities, the increase in operating expense from additional staffing levels as well as costs associated with capital raising activities, and a continued lack of revenues recognized during fiscal year 2007.

#### Operating Results for the Fiscal Quarter Ended July 31, 2007 and 2006

Although we commenced efforts to re-establish our mining business early in fiscal year 2004, no mining operations have commenced and no revenues have been recognized during the quarters ended July 31, 2007 and 2006, respectively. We have granted a 4% net smelting return royalty to a third party related to the Relief Canyon mining property which has been recorded as an \$800,000 deferred option income.

During the quarter ended July 31, 2007 we spent \$337,134 for exploration, reclamation and maintenance expenses related to our mining properties. Reclamation and maintenance expenses expended during the same quarter ended July 31, 2006 were \$102,620. These expenses relate primarily to maintenance and retention costs required to maintain our mining claims. The increase in costs was due to extensive building and facility expansion at the Relief Canyon mine and the resumption of exploration drilling. We incurred operating expenses of \$1,225,917 during the quarter ended July 31, 2007. Of this amount, \$197,140 reflects outside director compensation expense related to the stock options issued, \$113,882 reflects promotion expense, \$93,500 reflects officer compensation and related payroll taxes during the quarter and \$224,717 reflect fees for outside professional services. A large portion of the outside professional services reflects legal and accounting work pertaining to our annual and quarterly reporting on Form 10-KSB and Form 10-QSB occurring in fiscal year 2008 as well as our recently filed Form SB-2.

During the quarter ended July 31, 2006 we incurred operating expenses of \$295,365 of which \$93,500 represented officer compensation and related payroll taxes, \$68,020 reflected outside director compensation related to the stock options issued, and \$63,997 reflected fees for outside professional services. It is anticipated that both mining costs and operating expenses will increase significantly as we resume our exploration program and prepare for mining operations.

We incurred interest expense of \$275,580 during the quarter ended July 31, 2007 which compares to interest expenses of \$145,502 incurred during the quarter ended July 31, 2006. The principal balance of loans outstanding during the second quarter of fiscal year 2008 increased by \$2,538,703 compared to second quarter of fiscal year 2007, which was primarily the result of an increase in convertible debentures. The increase in additional interest expense during the quarter ended July 31, 2007 was primarily due to the increase in the principal balance of loans outstanding.

In conjunction with the Convertible Debentures issued during September 2006, December 2006 and March 2007, we allocated the proceeds received between convertible debt and the detachable warrants based upon the relative fair market values on the date the proceeds were received. Subsequent to the initial recording, the change in the fair value of the detachable warrants, determined under the Black-Scholes option pricing formula, and the change in the fair value of the embedded derivative in the conversion feature of the convertible debentures are recorded as adjustments to the liabilities at July 31, 2007.

This resulted in \$919,263 of income relating to the change in the fair value of Firstgold's stock reflected in the change in the fair value of the warrants and derivatives (noted above) and is included as other income (expense).

Our total net loss for the quarter ended July 31, 2007 increased to \$842,028 compared to a net loss of \$914,464 incurred for the same quarter ended July 31, 2006. The smaller net loss in the second quarter of fiscal 2008 reflects the income effect of the adjustment to fair value of derivatives which is partially offset by the higher interest expense as well as the increase in operating expenses as we reactivate our exploration activities and a continued lack of revenues recognized during the quarter.

#### Operation Results for the Six Months Ended July 31, 2007 and 2006

During the six months ended July 31, 2007, we spent \$463,815 on exploration, reclamation and building and facilities expansion expenses related to our mining properties. Reclamation and maintenance expenses expended during the six months ended July 31, 2006, were \$172,130. These expenses relate primarily to repairing and upgrading costs required to resume exploration drilling of our Relief Canyon mining claims. We incurred operating expenses of \$2,211,602 during the six months ended July 31, 2007. Of this amount, \$420,073 reflects outside director compensation expense related to the stock options issued, \$302,651 reflects promotion expense, \$187,000 reflects officer compensation and related payroll taxes during the quarter and \$349,249 reflect fees for outside professional services. A large portion of the outside and professional services reflects legal and accounting work pertaining to our annual and quarterly reporting on Form 10-KSB and Form 10-QSB, as well as our recently filed Form SB-2. During the six months ended July 31, 2006, we incurred operating expenses of \$543,093, of which \$187,500 represented officer compensation and related payroll taxes, and \$187,861 reflected fees for outside professional services.

It is anticipated that both mining costs and operation costs will increase significantly as we resume our exploration program and initiate mining operations.

We incurred interest expense of \$523,539 during the six months ended July 31, 2007, which compares to interest expenses of \$231,492 incurred during the same six months of 2006. The principal balance of loans outstanding during the first six months of the fiscal year 2008 increased by \$2,538,703, compared to the same six months for fiscal year 2007, which was primarily the result of the increase in Convertible Debentures. The increase in additional interest expense during the six months ended July 31, 2007, was primarily due to the increase in outstanding Convertible Debentures.

In conjunction with the Convertible Debentures issued during September 2006, December 2006 and March 2007, we allocated the proceeds received between convertible debt and the detachable warrants based upon the relative fair market values on the date the proceeds were received. Subsequent to the initial recording, the change in the fair value of the detachable warrants, determined under the Black-Scholes option pricing formula, and the change in the fair value of the embedded derivative in the conversion feature of the convertible debentures are recorded as adjustments to the liabilities at July 31, 2007.

This resulted in \$703,992 of expense relating to the change in the fair value of Firstgold's stock reflected in the change in the fair value of the warrants and derivatives (noted above) and is included as other income (expense). Our total net loss for the six months ended July 31, 2007, increased to \$3,819,642 compared to a net loss of \$1,608,539 incurred for the same six months ended July 31, 2006. The higher net loss in the first six months of fiscal 2008 reflects the increase in exploration, maintenance, and operating expenses as we reactivate our exploration activities and a continued lack of revenues recognized during the first six months of fiscal 2008.

### **Liquidity and Capital Resources**

We have incurred significant operating losses since inception and during the six months ended July 31, 2007 which has resulted in an accumulated deficit of \$27,579,556 as of July 31, 2007. At July 31, 2007, we had cash and other current assets of \$8,722,515 compared to \$412,752 at January 31, 2007 and net working capital of \$6,549,519. Since the resumption of our business in February 2003, we have been dependent on borrowed or invested funds in order to finance our ongoing operations. As of July 31, 2007, we had outstanding debentures and notes payable in the gross principal amount of \$3,371,492 (net balance of \$4,738,773 after \$(1,868,149) of note payable discount and deferred financing costs and \$3,235,430 of derivative liabilities) which reflects an increase in the gross principal balance of \$2,538,704 compared to notes payable in the gross principal amount of \$832,788, (net balance of \$1,605,647 after \$(422,697) of note payable discount and deferred financing costs and \$1,195,556 of derivative liabilities) as of July 31, 2006.

In January 2006 we made a cash deposit of \$243,204 in a blocked account to cover future reclamation costs as required by the Nevada Division of Environmental Protection for the Relief Canyon Mine. On March 28, 2007 we provided the United States Department of the Interior, Bureau of Land Management with a letter of credit which is secured by a certificate of deposit in the amount of \$613,500. On April 12, 2007 the Nevada Division of Environmental Protection returned the \$243,204 previously held in the blocked account.

On January 25, 2006, Firstgold entered into a joint venture with ASDi, LLC with the intent to explore two Nevada mining properties. Pursuant to the Operating Agreement for the Crescent Red Caps LLC, ASDi LLC was to contribute various Nevada mining properties to the Crescent Red Caps LLC in exchange for Firstgold issuing 2.5 million shares of its common stock and warrants to purchase 2.5 million shares of Firstgold common stock at an exercise price of \$0.40 per share for a term of three years to ASDi LLC. Pursuant to the joint venture, Firstgold will initially own a 22.22% interest in the Crescent Red Caps LLC, a Nevada limited liability company and ASDi LLC will hold a 77.78% interest. By expending up to \$1,350,000 on each project over the next three years, Firstgold can increase its interest in the Crescent Red Caps LLC to 66.66%. Thereafter, Firstgold has the right to purchase the remaining interest in the Crescent Red Caps LLC held by ASDi LLC at a price to be determined by the results of the exploration work conducted. These two properties are subject to litigation as described in the section "Legal Proceedings".

Our primary sources of operating capital have been debt and equity financings. In January, 2006 we entered into a Securities Purchase Agreement which resulted in proceeds from the issuance of convertible debentures as follows: \$600,000 on January 27, 2006; \$200,000 on March 12, 2006; and \$200,000 on July 18, 2006.

On September 26, 2006 we entered into another Securities Purchase Agreement which resulted in proceeds from the issuance of convertible debentures as follows: \$1,000,000 on September 26, 2006; \$1,000,000 on December 1, 2006; and \$1,000,000 on March 16, 2007.

On October 10, 2006 we issued convertible debentures raising proceeds of \$650,000.

On April 12, 2007 we received net proceeds of \$2,374,200 from the sale of Units in Canada.

On May 18, 2007 we received gross proceeds of \$337,500 upon the issuance of units consisting of Firstgold common stock and warrants.

On June 22, 2007 we received net proceeds of \$7,885,972 upon the issuance of units consisting for Firstgold common stock and warrants sold in Canada.

By attempting to resume mining operations, we will require approximately \$15 million to \$20 million in working capital above the amounts realized from the convertible debentures to bring the Relief Canyon Mine into full production and carry out planned exploration on our other properties. We believe we have sufficient working capital to fund our current business plan for Relief Canyon. However, should additional funds become necessary, our intention would be to pursue several possible funding opportunities including the sale of additional securities, entering into joint venture arrangements, or incurring additional debt.

Due to our continuing losses from business operations, the independent auditor's report dated May 16, 2007, includes a "going concern" explanation relating to the fact that Firstgold's continuation is dependent upon obtaining additional working capital either through significantly increasing revenues or through outside financing. As of January 31, 2007, Firstgold's principal commitments included its obligation to pay ongoing maintenance fees on 146 unpatented mining claims, the funding arrangement pursuant to the joint venture with ASDi, LLC and the annual minimum rent due on the Winchell Ranch mineral lease.

It is likely that we will need to raise additional capital to fund the long-term or expanded development, promotion and conduct of our mineral exploration. Due to our limited cash flow, operating losses and limited assets, it is unlikely that we could obtain financing through commercial or banking sources. Consequently, any future capital requirements will be dependent on cash infusions from our major stockholders or other outside sources in order to fund our future operations. Prior to the transactions with Cornell Capital Partners, Firstgold's president had paid a substantial portion of Firstgold's expenses since restarting its business in February 2003. Although we believe that our creditors and investors would continue to fund Firstgold's expenses if such became necessary based upon their significant debt and/or equity interest in Firstgold, there is no assurance that such investors would continue to pay our expenses in the future. If adequate funds are not available in the future, through public or private financing as well as borrowing from other sources, Firstgold might not be able to establish or sustain its mineral exploration or mining program.

Recent Financing Transaction

On January 27, 2006, we entered into a Securities Purchase Agreement and Convertible Debentures in the principal amount of \$1,000,000 and bearing interest at 8% per annum. The Debentures were funded \$600,000 on January 27, 2006, \$200,000 on March 2, 2006 upon the filing of a resale registration statement with the SEC and a final \$200,000 on July 18, 2006. In addition, we issued warrants to purchase 1,250,000 shares of our common stock at \$0.20 per share and 1,250,000 shares of our common stock at an exercise price of \$0.30 per share. On June 29, 2006 \$500,000 of the Debenture dated January 27, 2006 was converted into 1,904,037 shares of Firstgold restricted Common Stock and \$100,000 of the Debenture dated March 9, 2006 was converted into 495,050 shares of Firstgold restricted Common Stock. On September 15, 2006, the remaining \$400,000 of principal Debentures were converted into 1,523,229 shares of Firstgold restricted Common Stock and accrued interest of \$30,948 was converted into 117,852 shares of Firstgold restricted Common Stock. As of March 30, 2007, all 2,500,000 of the Warrants had been exercised upon payment of the exercise price aggregating \$625,000.

On September 26, 2006, we entered into a Securities Purchase Agreement (the "Purchase Agreement") and other agreements, which were amended on November 1, 2006, with Cornell Capital Partners LP in connection with the private placement of convertible debentures, in the aggregate principal amount of \$3,000,000 and bearing interest at 8% per annum (the "Debentures"). The Debentures were issued for \$1,000,000 on September 26, 2006, \$1,000,000 on December 1, 2006, and \$1,000,000 on March 16, 2007. Each Debenture had a three (3) year term from the date of issue unless they were converted into shares of Firstgold Common Stock or were repaid prior to the expiration dates. The conversion rate was adjustable and at any conversion date, would be the lower of \$0.4735 per share (and subsequently reduced to \$0.45 per share) or 95% of the Market Conversion Price. Consequently, the number of shares of Firstgold Common Stock into which the Debentures could have been converted would never be less than 6,666,666 shares but could have been substantially more if the average market price of Firstgold's Common Stock fell below \$0.45. On July 13, 2007, Cornell Capital converted \$450,000 principal amount of the third Debenture at the Fixed Conversion Rate of \$0.45 per share into 1,000,000 shares of Firstgold common stock. On September 13, 2007, Cornell Capital converted the first \$1,000,000 Debenture at the Fixed Conversion Rate of \$0.45 per share into 2,222,222 shares of Firstgold common stock. As of October 31, 2007, Cornell Capital had converted the balance of its Debentures with accrued interest at the Fixed Conversion Rate of \$0.45 per share into 3,858,228 shares of Firstgold Common Stock.

Firstgold paid a Commitment Fee to Cornell Capital Partners, LP of 9% of gross proceeds or a total of \$270,000. Firstgold also paid Yorkshire Advisors, LLC (an affiliate of Cornell Capital Partners) a due diligence fee of \$5,000 and a Structuring Fee of \$20,000. Net proceeds to Firstgold from this financing were approximately \$2,705,000.

In conjunction with the Purchase Agreement, we entered into an Investor Registration Rights Agreement (the "Registration Rights Agreement"). The Registration Rights Agreement requires us to register at least 18,750,000 shares of our Common Stock to cover the conversion of the Debentures (assuming conversion prices substantially below \$0.4735) and 3,500,000 shares of our Common Stock issuable upon conversion of warrants (the "Warrants") granted to the Debenture holder.



We are required to keep this Registration Statement effective until the Debentures have been fully converted, repaid, or becomes due and the Warrants have been fully exercised or expire. Both the Debentures and the Warrants are currently convertible or exercisable, respectively.

In conjunction with the Purchase Agreement, we entered into a Security Agreement (the "Security Agreement"). The Security Agreement creates a secured interest in favor of the Debenture holder in our mining interest and assets in the Relief Canyon Mine property. This security interest was created by recordation of an Amended Memorandum of Security Agreement filed in Pershing County, Nevada on November 15, 2006. Consequently, if a default would occur under the Debenture, the Debenture holder could take over or sell all of our interests, business and assets associated with the Relief Canyon Mine.

In conjunction with the Purchase Agreement, we granted warrants to purchase 2,000,000 shares of Firstgold Common Stock exercisable at \$0.45 per share and 1,500,000 shares exercisable at \$0.60 per share. However, on March 16, 2007, the exercise price of the \$0.60 per share warrants was changed to an exercise price of \$0.45 per share. The Warrants have a term of four years. The exercise price may be reduced if shares of Firstgold's Common Stock are sold at a price below the Warrant exercise price.

Lastly, in conjunction with the Purchase Agreement, we entered into a Pledge and Escrow Agreement whereby up to an additional 10,000,000 shares of Firstgold Common Stock could be issued to the Debenture holder in the event of a default relating to the Debenture. The precise amount of shares that would be required to be issued to the Debenture holder would depend on the amount of principal and interest outstanding under the Debentures at the time a default was declared.

Pursuant to the Purchase Agreement, for so long as at least \$200,000 of principal remains outstanding under the Debentures, the Debenture holder will have approval rights over any major transaction (i.e., merger, stock splits, sale of assets) or any issuance of common or preferred stock by Firstgold with certain exceptions. The Debenture holder will also have a right for a period of 18 months to participate in any additional capital sought to be raised by Firstgold.

On October 10, 2006 we received \$650,000 upon the issuance of Convertible Debentures with certain investors which bear interest at 8% per annum and are convertible into shares of Firstgold common stock at the Fixed Conversion Price of \$0.4735 per share (and subsequently reduced to \$0.45 per share) which would equal approximately 1,372,756 if the entire principal were converted into Firstgold common stock.

In conjunction with the Convertible Debentures, we granted 746,843 warrants to purchase shares of Firstgold Common Stock, 426,767 exercisable at \$0.45 per share and 320,076 exercisable at \$0.60 per share. The Warrants have a term of four years.

On April 12, 2007 we received gross proceeds of \$2,552,900 upon the issuance of Units consisting of 5,673,110 shares of our common stock and warrants to purchase 2,836,555 shares of our common stock at an exercise price of \$0.65 per share. The warrants have a term of 18 months. Due to the fact that these Units were not registered in an effective resale prospectus by October 15, 2007, an additional 542,310 "penalty shares" and 271,156 "penalty warrants" were issued to these investors and included in this prospectus.

On May 18, 2007 we received gross proceeds of \$337,500 upon the issuance of Units consisting of 749,998 shares of our common stock and warrants to purchase 375,002 shares of our common stock at an exercise price of \$0.65 per share. The warrants have a term of 18 months.

On June 22, 2007, we received gross proceeds of \$8,479,539.45 upon the issuance of Units consisting of 18,843,421 shares of our common stock and Warrants to purchase 9,421,711 shares of our common stock at an exercise price of \$0.65 per share. The warrants have a term of 18 months. Due to the fact that these Units were not registered in an effective resale prospectus by November 15, 2007, an additional 1,884,342 “penalty shares” and 942,171 “penalty warrants” were issued to these investors.

#### Off-Balance Sheet Arrangements

During the fiscal quarter ended July 31, 2007, Firstgold did not engage in any off-balance sheet arrangements as defined in Item 303(c) of the SEC’s Regulation S-B.

#### **Critical Accounting Policies**

Our discussion and analysis of our financial condition and results of operation are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires management to make estimates and disclosures on the date of the financial statements. On an on-going basis, we evaluate our estimates, including, but not limited to, those related to revenue recognition. We use authoritative pronouncements, historical experience and other assumptions as the basis for making judgments.

Actual results could differ from those estimates. We believe that the following critical accounting policies affect our more significant judgments and estimates in the preparation of our financial statements.

#### Exploration Stage Company

Effective January 1, 1995 (date of inception), Firstgold is considered an exploration stage company as defined in SFAS No. 7. Firstgold’s exploration stage activities consist of the exploration and evaluation of several mining properties located in Nevada. Sources of financing for these exploration stage activities have been primarily debt and equity financing. Firstgold has, at the present time, not paid any dividends and any dividends that may be paid in the future will depend upon the financial requirements of Firstgold and other relevant factors.

#### Valuation of long-lived assets

Long-lived assets, consisting primarily of property and equipment, patents and trademarks, and goodwill, comprise a significant portion of our total assets. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Recoverability of assets is measured by a comparison of the carrying value of an asset to the future net cash flows expected to be generated by those assets. The cash flow projections are based on historical experience, management’s view of growth rates within the industry, and the anticipated future economic environment.

Factors we consider important that could trigger a review for impairment include the following:

- (a) significant underperformance relative to expected historical or projected future operating results,
- (b) significant changes in the manner of our use of the acquired assets or the strategy of our overall business, and
- (c) significant negative industry or economic trends.

When we determine that the carrying value of long-lived assets and related goodwill and enterprise-level goodwill may not be recoverable based upon the existence of one or more of the above indicators of impairment, we measure any impairment based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model.

#### Deferred Reclamation Costs

In August 2001, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 143, “Accounting for Asset Retirement Obligations,” which established a uniform methodology for accounting for estimated reclamation and abandonment costs. The statement was adopted February 1, 2003. The reclamation costs will be allocated to expense over the life of the related assets and will be adjusted for changes resulting from the passage of time and revisions to either the timing or amount of the original present value estimate.

Prior to adoption of SFAS No. 143, estimated future reclamation costs were based principally on legal and regulatory requirements. Such costs related to active mines were accrued and charged over the expected operating lives of the mines using the units of production method based on proven and probable reserves. Future remediation costs for inactive mines were accrued based on management’s best estimate at the end of each period of the undiscounted costs expected to be incurred at a site. Such cost estimates included, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines were reflected in earnings in the period an estimate was revised.

#### Exploration Costs

Exploration costs are expensed as incurred. All costs related to property acquisitions are capitalized.

#### Mine Development Costs

Mine development costs consist of all costs associated with bringing mines into production, to develop new ore bodies and to develop mine areas substantially in advance of current production.

The decision to develop a mine is based on assessment of the commercial viability of the property and the availability of financing. Once the decision to proceed to development is made, development and other expenditures relating to the project will be deferred and carried at cost with the intention that these will be depleted by charges against earnings from future mining operations. No depreciation will be charged against the property until commercial production commences. After a mine has been brought into commercial production, any additional work on that property will be expensed as incurred, except for large development programs, which will be deferred and depleted.

#### Reclamation Costs

Reclamation costs and related accrued liabilities, which are based on our interpretation of current environmental and regulatory requirements, are accrued and expensed, upon determination.

Based on current environmental regulations and known reclamation requirements, management has included its best estimates of these obligations in its reclamation accruals. However, it is reasonably possible that our best estimates of our ultimate reclamation liabilities could change as a result of changes in regulations or cost estimates.

#### Valuation of Derivative Instruments

FAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" requires bifurcation of embedded derivative instruments and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black Scholes model as a valuation technique. Derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as Adjustments to Fair Value of Derivatives. In addition, the fair values of freestanding derivative instruments such as warrants are valued using Black Scholes models.

#### Stock-Based Compensation

We currently account for the issuance of stock options to employees using the fair market value method according to SFAS No. 123R, Share-Based Payment.

#### Recent Accounting Pronouncements

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments", which amends SFAS No. 133, "Accounting for Derivatives Instruments and Hedging Activities" and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". SFAS No. 155 amends SFAS No. 133 to narrow the scope exception for interest-only and principal-only strips on debt instruments to include only such strips representing rights to receive a specified portion of the contractual interest or principle cash flows. SFAS No. 155 also amends SFAS No. 140 to allow qualifying special-purpose entities to hold a passive derivative financial instrument pertaining to beneficial interests that itself is a derivative instrument. Firstgold is currently evaluating the impact of this new Standard but believes that it will not have a material impact on Firstgold's financial position, results of operations, or cash flows.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets" which provides an approach to simplify efforts to obtain hedge-like (offset) accounting. This Statement amends FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", with respect to the accounting for separately recognized servicing assets and servicing liabilities. The Statement (1) requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract in certain situations; (2) requires that a separately recognized servicing asset or servicing liability be initially measured at fair value, if practicable; (3) permits an entity to choose either the amortization method or the fair value method for subsequent measurement for each class of separately recognized servicing assets or servicing liabilities; (4) permits at initial adoption a one-time reclassification of available-for-sale securities to trading securities by an entity with recognized servicing rights, provided the securities reclassified offset the entity's exposure to changes in the fair value of the servicing assets or liabilities; and (5) requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the balance sheet and additional disclosures for all separately recognized servicing assets and servicing liabilities. SFAS No. 156 is effective for all separately recognized servicing assets and liabilities as of the beginning of an entity's fiscal year that begins after September 15, 2006, with earlier adoption permitted in certain circumstances. The Statement also describes the manner in which it should be initially applied. Firstgold does not believe that SFAS No. 156 will have a material impact on its financial position, results of operations or cash flows.

In July 2006, the FASB released FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 clarifies the accounting and reporting for uncertainties in income tax law. This interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. This statement is effective for fiscal years beginning after December 15, 2006. The Company is currently in the process of evaluating the expected effect of FIN 48 on its results of operations and financial position.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Issues No. 157, "Fair Value Measurements" ("SFAS 157"), which defines the fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Early adoption is encouraged, provided that the Company has not yet issued financial statements for that fiscal year, including any financial statements for an interim period within that fiscal year.

The Company is currently evaluating the impact SFAS 157 may have on its financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 158, "Employer's Accounting for Defined Benefit Pension and Other Post Retirement Plans." SFAS No. 158 requires employers to recognize in its statement of financial position an asset or liability based on the retirement plans over or under funded status. SFAS No. 158 is effective for fiscal years ending after December 15, 2006.

The Company is currently evaluating the effect that the application of SFAS No. 158 will have on its results of operations and financial condition.

In September 2006, the United States Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). This SAB provides guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB 108 establishes an approach that requires quantification of financial statement errors based on the effects on each of the company's balance sheets, statements of operations and related financial statement disclosures. The SAB permits existing public companies to record the cumulative effect of initially applying this approach in the first year ending after November 15, 2006 by recording the necessary correcting adjustments to the carrying values of assets and liabilities as of the beginning of that year with the offsetting adjustment recorded to the opening balance of retained earnings. Additionally, the use of the cumulative effect transition method requires detailed disclosure of the nature and amount of each individual error being corrected through the cumulative adjustment and how and when it arose. The Company is currently evaluating the impact SAB 108 may have on its results of operations and financial condition.

In October 2006, the Emerging Issues Task Force ("EITF") issued EITF 06-3, "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That is, Gross versus Net Presentation)" to clarify diversity in practice on the presentation of different types of taxes in the financial statements. The Task Force concluded that, for taxes within the scope of the issue