



# DEFOE

Investment Banking Unit  
of Defoe Fournier & Cie.

## GLOBAL GOLD CORPORATION

GBGD \$ 0.45 — (OTCBB)

Rating: Speculative Buy

March 17, 2008

52-Week range	\$ 0.34 - 1.15	Fiscal year ends:	December 31
Shares outstanding	33.87M	Revenue/shares (ttm)	0
Approximate float	22.97M	Price/Sales (ttm)	39,583.64
Market Capitalization	13.55M	Price/Sales (2008)E	n/a
Book value/share	0.297	Price/Earnings (ttm)	n/a
Price/Book	1.35	Price/Earnings (2008)E	n/a

### Key Investment Considerations:

- *We are initiating coverage of Global Gold Corporation (OTC: GBGD) with a Speculative Buy.*
- *We believe that its 12-month upside potential is \$1.32 per share.*
- *We see a significant market opportunity for the principal assets of the Company, effected by increasing gold prices pushed by global demand of gold.*
- *Company development milestones such as progression through the key mining activities, profitable sale of some exploration assets and further successful exploration activities outcomes, could drive stock price appreciation well ahead of revenue and profit generation.*
- *Recently the Company announced its plans to increase gold production levels in one of its principal mining assets.*

*\* Please view our disclaimer located on page 10.*

### The Company

The company was established in 1980 as Triad Energy Corporation and changed its name to Global Gold Corporation in 1995 with headquarters in Greenwich, Connecticut. Company is engaged in the exploration, development, and mining of gold, uranium, and other minerals in Armenia, Canada, and Chile. In these countries, the Company is operating through its subsidiaries Global Gold Mining LLC in Armenia, Minera Global Chile Limitada in Chile and Global Gold Uranium LLC in Canada. Global Gold is working at three uranium exploration properties in Canada, has four mines in Armenia and is engaged in exploration and development of four properties in Chile.

48 Wall Street, 11<sup>th</sup> Floor - New York, NY 10005  
Tel. +1.212.796.0529  
[www.defoecapital.com](http://www.defoecapital.com)

Global Gold is engaged in mapping, prospecting, sampling, investigation and exploration processes.

Global Gold is a publicly traded company, whose shares are currently traded on the OTC Bulletin Board. The Company's Common Stock was declared eligible for trading on the OTC Bulletin Board, effective March 30, 2004.

The Company currently anticipates that it will retain all of its future earnings, if any, for use in its operations and does not anticipate paying any cash dividends in the near term future. There can be no assurance that the Company will pay cash dividends at any time, or that the failure to pay dividends for periods of time will not adversely affect the market price for the Company's Common Stock.

### ***Recent Developments***

Global Gold Corp. closed joint venture agreement by which it assumes a 51% interest in the placer and hard rock gold Madre de Dios property in south central Chile, near Valdivia. The name of the new joint venture company is Global Gold Valdivia. According to Geologists' estimations the capacity of a mine is valued to be 7.4M Gold oz. They estimate production of 200,000 oz Per Year within 3 years. The company plans to begin production in 2008.

Global Gold Corporation announced its option agreement on the Cochrane Pond uranium target in the Province of Newfoundland and Labrador. Under the option terms, Global Gold Uranium may earn a 51% equity interest over a period of four years in Cochrane Pond Property.

Global Gold Corporation announced that it commissioned its upgraded gold processing plant in Toukhmanuk, Armenia and has continued production from ore stockpiles since, just as gold prices have undergone epochal changes. Current plant capacity is 100,000 tons per year. Current throughput is approximately 6,000 tons per month with gold grades between 2 – 3 grams per ton.

Global Gold is preparing mining and processing plans to substantially increase production in 2008. In addition, the Company has received international ISO certification for its laboratory at the Toukhmanuk site. In 2008, the Company will publish the results and analyses of exploration work in Marjan (Gold) and Getik (Gold and Uranium).

The Company anticipates that it will issue additional equity to finance its planned activities.

Global Gold anticipates commencement of royalty payments received from Tamaya Resources Limited from production activities at Lichkvaz planned to start in April of 2009.

### ***Financial Results***

Global Gold currently does not engage in the active conduct of a trade or business aside from development and exploration activities and it has not generated any revenues, with the exception of revenue from the transaction with Iberian Resources at the end of 2006 and minimal sales of concentrate from Toukhmanuk.

During the nine-month period ended September 30, 2007, the Company's administrative and other expenses were \$3,471,364 which represented an increase of \$1,963,063 from \$1,508,301 in the same period last year.

During the nine-month period ended September 30, 2007, the Company's mine exploration costs were \$5,474,347 which represented an increase of \$3,833,922 from \$1,640,425 in the same period last year. The expense increase was primarily attributable to the increased mining activity at the Toukhmanuk property of \$2,184,222, at the Marjan property of \$621,033, at the Hankavan property of \$307,674, and at the Canadian properties of \$613,754. During the nine-month period ended September 30, 2007, the Company's amortization and depreciation expenses were \$679,535 which represented an increase of \$201,291 from \$478,244 in the same period last year.

During the quarter ended September 30, 2007, the Company sold 13,000,000 shares of the Tamaya Resources Limited Stock that it owned which resulted in a realized gain of \$1,507,085.

As of September 30, 2007, the Company's total assets were \$11,762,136, which represented a decrease of \$1,497,689 from \$13,259,826 in the same period last year. The Company had cash and cash equivalents of \$1,316,289 as compared to \$5,213,789 at September 30, 2006.

The Company's total liabilities were \$1,707,686, which wholly consisted of Accounts payable and accrued expenses, representing an increase of \$1,691,662 compared with same period last in 2006.

As of September 30, 2007 and 2006, the Company's outstanding options were 1,262,500 and 662,500, respectively, and warrants were 4,466,666 and 6,466,666, respectively.

### ***Industry Comment***

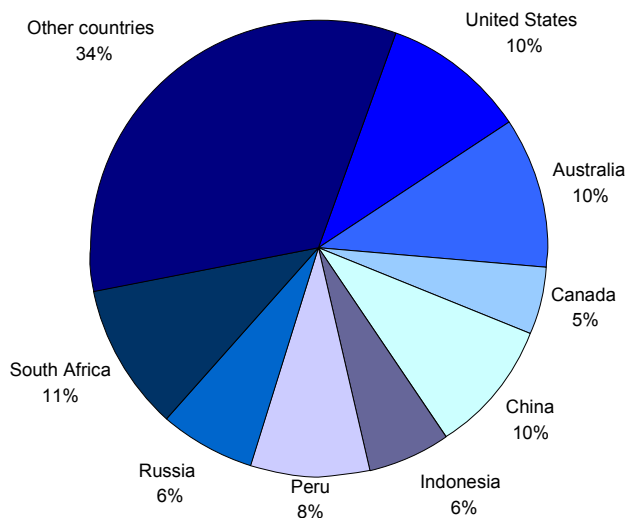
Total volume of gold mined over history is approximately 155,500 tons, of which around 64% has been mined since 1950. The upward trend in annual production is now leveling off, due not least to a considerable slowdown in exploration spending in the late 1990s. According to analyst estimations, mine output will remain flat for the next few years and may even drop slightly.

Gold is produced from mines on every continent with the exception of Antarctica (mining there is forbidden). Gold mine production in 2007 is estimated to be 2,444t down about 1% over 2006 (2,473t). Global gold mine production has been in a downward trend since 2002.

The dominant producing country for much of the 20th century was South Africa, which in the early 1970s was producing 1,000 tons per annum, or over 70% of the world total at that time.

In 2007 South Africa remained the world's largest producing nation, with just over 272 tons and 11% of the total, but Australia and United States of America were not far behind with almost 260 tons (10% each). Gold mining in China has steadily increased, and China is now the fourth leading producer of gold worldwide. Chinese gold production in 2007 was reported to be 270.5t, up 12.7% year on year. During the 11th Five-Year Plan period, China's goal in gold production is to accumulate gold output 1300 tons and the newly-increased gold basic reserve amounts to 3000-3500 tons. Therefore, it is estimated that by 2010, China's gold output may be about 280-300 tons, and in the forthcoming five years, the annual growth rate of China's gold output may remain at 5% approximately.

### World gold production by countries\*



\*Source- <http://minerals.usgs.gov/minerals>

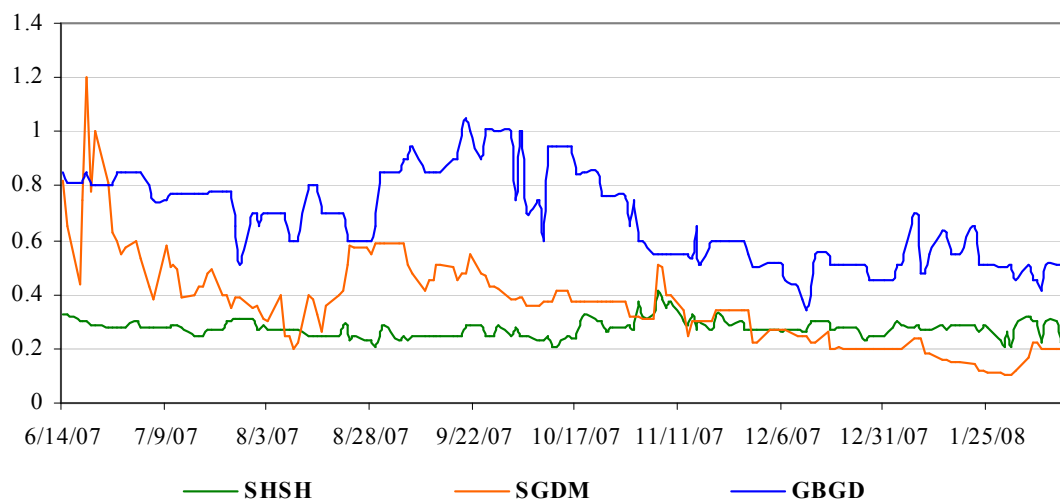
Gold's run-up from \$250/ounce in spring 2001 to its recent peak of \$877.5/ounce on January 18th. There are a several reasons for this: weak dollar, crude oil prices (at \$100/barrel), collapsed credit. According to analysts, these fundamentals will continue to drive gold prices, and gold investing, during 2008. High gold prices should allow gold producers to make good profit margin improvements in 2008.

	<i>Last</i>	<i>1 Month</i>	<i>YTD</i>	<i>1 Year</i>	<i>5 Year</i>
<b>Gold</b>	904.45	13.82%	8.53%	44.36%	157.91%
<b>Silver</b>	16.22	17.43%	9.79%	25.81%	240.69%
<b>Oil</b>	94.15	2.80%	-5.06%	79.60%	183.49%
<b>EUR/USD</b>	1.4867	3.04%	1.93%	14.94%	40.90%
<b>S&amp;P 500</b>	1,416	-3.52%	-3.54%	-1.01%	54.23%

### Competitor Analysis

The current price of the company stocks are \$0.45. In May 2007 stocks traded as high as \$0.85, which means that stocks of the company were down 47.0% to \$0.45. For the year ending 2006 Diluted EPS of Global Gold was \$-0.31. The market Capitalization of this company is 18.6 million USD. Global Gold's shares are illiquid.

## Stock Performance



Stock prices for main competitor of Global Gold also moved at the same trend. In May 2007 stock price of Stargold Mines, Inc. were \$0.74 vs \$0.15 in January 2008. The stock prices of Shoshone Silver Mining were more constant (\$ 0.25 vs. \$0.29 in Jan 2008).

## Outlook

In Armenia, Global Gold's current production, exploration, and development focus primarily revolves around the North Central Armenian Belt, where it is integrating the Toukhmanuk mine and surrounding sites, and Getik and Marjan deposits and other adjacent gold exploration sites.

Global Gold conducted significant geo-exploration work during 2007 year in Armenia, in order to estimate the Mineral Reserves in Toukhmanuk, Marjan and Getik sites.

In 2007 Global Gold upgraded the gold processing plant in Toukhmanuk and finished construction of the tailings dam. The plant capacity is 100,000 tons per year. Current throughput is approximately 6,000 tons per month with gold grades between 2 – 3 grams per ton. Cash cost of production is US30/ton. Using of two technological cycles (gravitation and flotation) in Toukhmanuk plant, allows Global Gold to manage 70% recovery for the contained gold in ore.

In addition, Toukhmanuk site includes laboratory, for which company has received international ISO certification.

Global Gold is going to continue exploration and drilling works in Toukhmanuk site. (In 2007, the Company explored Toukhmanuk site with over 15,000 meters of diamond drilling).

Marjan site includes two mines in the southwestern Syunik province. A result of the drilling program at the Marjan site, a specialist of the company came to the conclusion that the deposit contains 16 tons of gold (at average grades 2.7g gold per ton of ore, and 99g/t of silver). In 2008 company will continue research and drilling in Marjan site.

In January 2006, Global Gold acquired the Getik property in Armenia. The license area is approximately 27 square kilometers and the property is located in the northeast of Armenia in the Geghargunik region. Company is going to continue drilling processes on the 1,230 – 5,000 square meter territory.

In addition to this, Global Gold retains the right to participate up to 20% in any new projects undertaken by Iberian Resources Limited, which has merged into Tamaya Resources Limited, or its affiliates in Armenia until August 15, 2015. Also, the Company has a 2.5% NSR royalty on production from the Lichkvaz-Tei and Terterasar mines as well as from any mining properties in a 20 kilometer radius of the town of Aigedzor in southern Armenia.

Tamaya Resources Limited announced that the Group has mandated Nedbank Capital to provide the debt required for the Lichkvaz Project. The project debt of \$45m USD will be used to develop Lichkvaz as a polymetallic-gold project. Confirmation of significant base metals content at Lichkvaz has highlighted the potential low cost nature of the project, which Tamaya estimates has a total life of mine cost, after byproducts and royalties, of approximately \$295 USD/oz. Using current metals prices, Lichkvaz, as a confirmed polymetallic project, has a net present value at a discount rate of 10 per cent of around \$200 million USD.

The Lichkvaz Polymetallic-Gold Mine project will produce gold and silver in a copper concentrate, a zinc concentrate, and a gold-rich pyrite/arsenopyrite concentrate which will be processed on site by cyanidation through the CIP plant, being relocated from Australia, to produce a gold-silver doré.

It is needed to be mentioned that, the Lichkvaz deposit was acquired as part of Tamaya's 86.2% total holding in Iberian Resources Limited in 2007 for approximately US\$95 million.

Also Global Gold retains the right to participate up to 20% in any new exploration undertaken by GeoProMining, Ltd (successor of Vedanta Resources) or its successors in Armenia.

In Chile, Global Gold is engaged in exploration and development, and currently has a royalty interest in the Santa Candelaria copper/gold property in the Chanaral District.

Also the Company has entered into option agreements to acquire 51% interests in joint ventures for the Estrella del Sur Gold-Platinum project on Ipun Island in Chile and another Gold-Platinum property on Chiloe Island. The Company has assumed a 51% interest in the Madre de Dios property in south central Chile, near Valdivia. The Madre de Dios Project is at an early stage of exploration. There are a number of old as well as recent workings in the area. The Property consists of four mineral claim groups covering a total area of approximately 24,785 hectares in south-central Chile.

During 2008, Global Gold is going to start the production of Madre de Dios, which is estimated to be 200,000 oz per year within 3 years.

Global Gold Uranium LLC is working at three uranium exploration properties in the province of Newfoundland and Labrador. Prospecting is conducted at and around the Grand Lake and Shallow Lake properties in central Labrador.

The Company anticipates that it might obtain additional financing from the holders of its Warrants to purchase 3,466,666 million shares of Common Stock of the Company at an exercise price of \$2.00 per share, which expire on April 1, 2008.

## ***Projections***

The rising gold price is creating production opportunities in gold districts and is expected to drive takeover activity. Over the past 6 months the gold price has risen from US\$672/oz to US\$900/oz (up 34%). Indeed, with the producer cash cost curve steepening exponentially at ~US\$650/oz, there is potential for further strong price rises in coming years.

Two projects of the company (Chilean Madre De Dios and Armenian Toukhmanuk) are now on stage of production. According to the company's management, the plant in Toukhmanuk will produce 100K tons of ore by the end of 2008. In addition to this, they estimated 200K oz of annual production for Madre de Dios, and 100K oz of annual production for Toukhmanuk within three years. Production of gold from these two properties will generate revenues in 2008.

Based on recent and current operating trends, our forecast for total net sales for fiscal 2008 is \$1 million.

## ***Risks***

### *Mining Risks*

The Company's proposed mining operations will be subject to a variety of potential engineering, seismic and other risks, some of which cannot be predicted and which may not be covered by insurance.

There are risks inherent in the exploration for and development of mineral deposits. The business of mining by its nature involves significant risks and hazards, including environmental hazards, industrial incidents, labor disputes, discharge of toxic chemicals, fire, drought, flooding, etc.

The occurrence of any of these can delay or interrupt exploration and production, increase exploration and production costs and result in liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

### *Exploration Risks*

Minerals exploration is speculative in nature, involves many risks and frequently is unsuccessful. There can be no assurance that any mineralization discovered will result in an increase in the proven and probable reserves of the Company. If reserves are developed, it can take a number of years from the initial phases of drilling and identification of mineralization until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract metals from ore and, in the cases of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programs undertaken by the Group will result in any new commercial mining operations being brought into operation.

### *Exploration Rights*

Exploration permits are registered and issued to "licensees". The period of validity of an "Exploration Permit" can be no more than 3-5 years. When a mineral that is capable of economic development is discovered, the licensee may apply for the right to develop such mineral. The period of validity of an "Exploration Permit" can be extended by application and each extension can be no more than two years in duration. During the term of the Exploration Permit, the licensee has the privileged priority to obtain the mining right to the mineral

resources in the exploration area covered by the Exploration Permit, provided the licensee meets the conditions of qualification for mining rights holders. Further, the licensee has the rights, among others, to explore without interference within the area under permit during the permit term, construct exploration facilities, and pass through other exploration areas and adjacent ground to access the permitted area.

### Foreign Risks

The value of the Company's assets may be adversely affected by political, exchange rate, economic and other factors in Chile and Armenia. Armenia is a former Soviet country in transition, and presents concomitant risks. In particular, the Company has experienced delays in the bureaucratic process and has experienced dealings with corrupt officials at the Ministry of Environment and Natural Resources in Armenia. The Company practices a zero tolerance program on corruption.

### Mining Concessions, Permits And Licenses

The Company's mining and processing activities are dependant upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. Although the Company believes that the licenses, concessions, leases, permits and consents it holds will be renewed, if required, when they expire, according to the current laws applicable in the respective countries, subject to the licensing issues disclosed below in "Foreign Risks," there can be no assurance that they will be renewed or as to the terms of any such renewal. Mineral rights within the countries in which the Company is currently operating are state-owned. Also see discussion under Foreign Risks, below.

### Competition

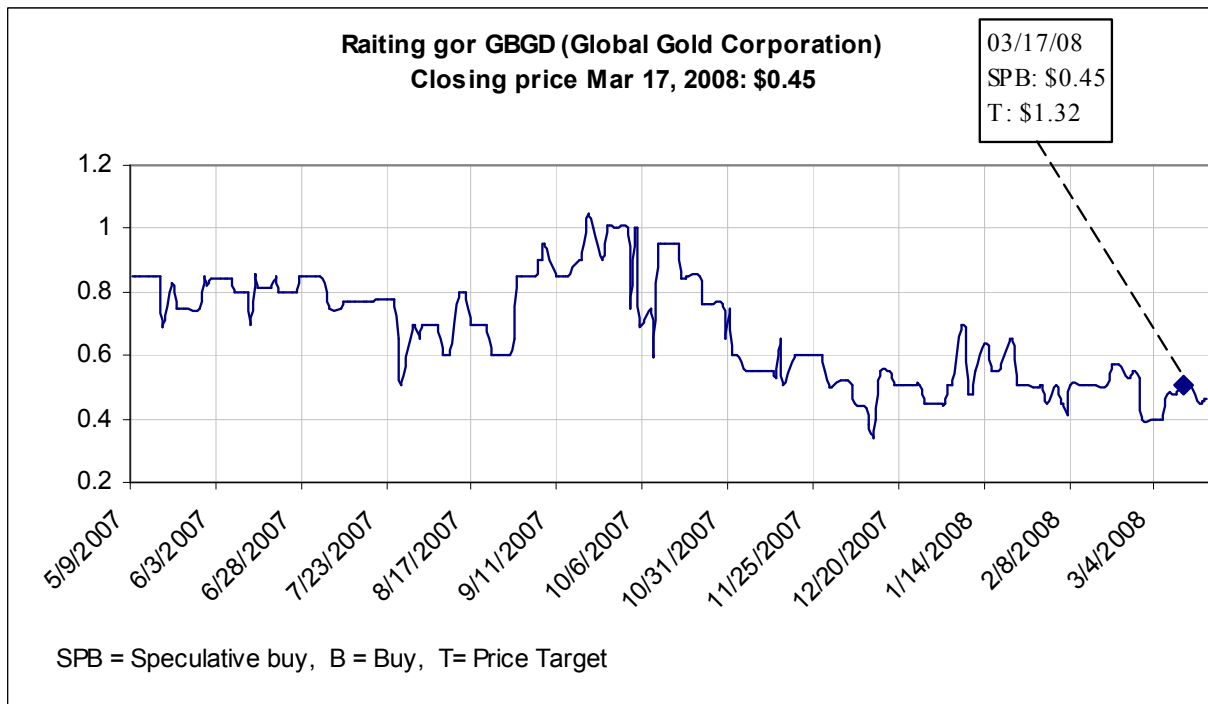
The precious metal exploration industry and mining business are intensely competitive. If the Company does engage in any future mining activities, it will be competing with larger mining companies, many of which have substantially greater financial strengths, capital, marketing, and personnel resources than those possessed by the Company.

## **Valuation and Conclusion**

Our rating for shares of Global Gold Corporation (OTC: GBGD) is Speculative Buy. Our rating is primarily based on the rising gold price, which is creating significant opportunities for the company to generate revenue from its gold mines in Armenia and Chile and increasing values of its principal assets. Two projects of the company (Chilean Madre De Dios and Armenian Toukmanuk) are now on stage of production.

Our twelve-month price target is \$1.32 per share. Our price target is based on evaluation of current values of company assets.

Company Name Symbol	Symbol	Recent Price	Shrs Out	Market Cap	EPS	EBITDA	Price to Book	Total Cash Per Share
Stargold Mines, Inc.	SGDM	0.13	41.22M	5.36M	N/A	N/A	5.65	0
Shoshone Silver Mining	SHSH	0.21	19.40M	3.86M	-0.01	-733.96K	2.08	0.003
Canyon Resources Corp.	CAU	0.43	53.05M	22.81M	-0.07	-5.34M	1.93	0.08
Wits Basin Precious Minerals	WITM	0.20	110.84M	22.17M	-0.18	-7.84M	N/A	0.001
Global Gold Corp.	GBGD	0.45	33.8M	17.27M	-0.32	-6.4M	1.72	0.086



***Meaning of Ratings***

**Buy**

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

**Speculative Buy**

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

**Neutral**

We will remain neutral pending certain developments.

**Underperform**

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

**Sell**

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

### **Some notable Risks within the Microcap Market:**

**Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.**

---

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

Public companies mentioned in this report:

Tamaya Resources Limited (ASX: TMR)  
Nedbank Capital / NedBank Group (BR: NCO)  
Vedanta Resources (LON: VED)

\* The information and statistical data contained herein have been obtained from sources, which we believe to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to changes in figures or our views. This is not a solicitation of any order to buy or sell. Defoe Capital Ltd and any of its affiliates is not a market maker and does not sell to or buy from customers on a principal basis. The above statement is the opinion of Defoe Capital Ltd and is not a guarantee that the target price for the stock will be met or that predicted business results for the company will occur. There may be instances when fundamental, technical and quantitative opinions contained in this report are not in concert. We, our affiliates, any officer, director or stockholder or any member of their families may from time to time purchase or sell any of the above-mentioned or related securities. Analysts and members of the Research Department are prohibited from buying or selling securities issued by the companies that Defoe Capital Ltd has a research relationship with. As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. All research issued by Defoe Capital Ltd is based on public information. Defoe Capital does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company within the last three years.

All research issued by Defoe Capital Ltd is based on public information. No monetary payments were received by Defoe Capital Ltd from Global Gold Corporation or any other parties for the creation and dissemination of research reports related to Global Gold Corporation.

---

**I, Veronika Karapetyan, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be, directly, or indirectly, related to the specific recommendations or views contained in this report.**

**Global Gold Corporation**  
**Consolidated Balance sheet for 2004, 2005, 2006 and 2007**

<b>All numbers in thousands</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Q1 2007</b>	<b>Q2 2007</b>	<b>Q3 2007</b>
Cash	1,014.27	546.91	7,016.38	5,551.29	2,686.84	1,316.29
Inventories		18.34	569.36	686.75	583.60	594.15
Investment in Tamaya Resources stock						1,611.73
Tax refunds receivable		60.87	105.24	105.53	98.56	99.84
Note receivable						200.00
Interest receivable						20.99
Prepaid expenses			9.43		43.52	35.86
Other current assets		51.77	57.30	69.86	131.24	83.62
Total current assets	1,014.27	677.89	7,757.71	6,413.44	3,543.76	3,962.47
Licenses, net of accumulated amortization of \$831,634	450.21	2,891.43	2,663.40	2,568.37	2,473.34	2,378.30
Investment in stock		395.27	2,867.08	3,079.52	4,582.98	
Deposits on contracts and equipment			443.52	559.02	1,883.77	2,924.98
PP&E		348.35	1,736.69	1,794.68	1,933.04	2,496.39
<b>TOTAL ASSETS</b>	<b><u>1,464.48</u></b>	<b><u>4,312.93</u></b>	<b><u>15,468.39</u></b>	<b><u>14,415.02</u></b>	<b><u>14,416.88</u></b>	<b><u>11,762.14</u></b>
Accounts payable and accrued expenses	6.44	113.66	850.98	736.07	291.47	1,701.69
Common stock issues subject to put			800.00	800.00	800.00	
Note Payable, due June 2007		1,779.94				
<b>TOTAL LIABILITIES</b>	<b><u>6.44</u></b>	<b><u>1,893.60</u></b>	<b><u>1,650.98</u></b>	<b><u>1,536.07</u></b>	<b><u>1,091.47</u></b>	<b><u>1,701.69</u></b>
Stockholder's equity	12.61	17.90	32.76	32.95	33.39	33.87
Additional paid-in-capital	7,766.00	11,439.22	28,438.79	27,315.77	27,723.09	29,069.62
Unearned compensation	(208.23)	(577.74)	(1,740.45)			
Accumulated deficit prior to development stage	(2,907.65)	(2,907.65)	(2,907.65)	(2,907.65)	(2,907.65)	(2,907.65)
Deficit accumulated during the development stage	(3,204.70)	(5,513.88)	(10,810.25)	(12,616.18)	(14,334.27)	(18,807.59)
Accumulated other comprehensive income			804.22	1,054.05	2,810.85	2,672.21
Foreign currency translation adjustment		(38.51)				
<b>Total stockholders' equity</b>	<b>1,458.04</b>	<b>2,419.33</b>	<b>13,817.41</b>	<b>12,878.94</b>	<b>13,325.41</b>	<b>10,060.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,464.48</u></b>	<b><u>4,312.93</u></b>	<b><u>15,468.39</u></b>	<b><u>14,415.02</u></b>	<b><u>14,416.88</u></b>	<b><u>11,762.14</u></b>

**Global Gold Corporation**  
**Consolidated Income statement for 2004, 2005, 2006 and 2007**

All numbers in thousands	2004	2005	2006	Q1 2007	Q2 2007	Q3 2007	2007 annualized
<b>Total Revenue</b>	-	-	<u>5.99</u>	-	-	-	-
<b>EXPENSES:</b>							
General and administrative	711.51	1,454.28	4,303.48	1,327.99	2,262.38	3,471.36	7,180.72
Mine exploration costs	71.40	120.85	3,350.15	358.45	950.72	5,474.35	2,618.34
Amortization and depreciation		177.24	611.64	177.85	404.49	679.54	1,164.67
Legal fees	24.29						-
Write-off on investment	-	-	-	-	-	-	-
Gain on sale of investment	(8.75)	-	-	-	-	(1,507.09)	-
Gain on extinguishment of debt	(110.42)	-	-	-	-	-	-
Loss/(Gain) from investment in joint ventures	-	12.00	(3,150.97)	-	-	-	-
Interest expense	-	53.94	220.06	-	-	-	-
Loss/(Gain) on foreign exchange	-		181.39	-	-	-	-
Interest income	-	(14.78)	(213.41)	(58.36)	(93.57)	(120.82)	(303.85)
<b>TOTAL EXPENSES</b>	<u>688.04</u>	<u>1,803.53</u>	<u>5,302.36</u>	<u>1,805.92</u>	<u>3,524.01</u>	<u>7,997.34</u>	<u>10,659.87</u>
<b>Loss from Continuing Operations</b>	<u>(688.04)</u>	<u>(1,803.53)</u>	<u>(5,296.37)</u>	<u>(1,805.92)</u>	<u>(3,524.01)</u>	<u>(7,997.34)</u>	<u>(10,659.87)</u>
Discontinued Operations:	-	-	-	-	-	-	-
Loss from discontinued operations	-	(267.85)	-	-	-	-	-
Loss on disposal of discontinued operations	-	(237.81)	-	-	-	-	-
<b>Net Loss Applicable to Common Shareholders</b>	<u>(688.04)</u>	<u>(2,309.19)</u>	<u>(5,296.37)</u>	<u>(1,805.92)</u>	<u>(3,524.01)</u>	<u>(7,997.34)</u>	<u>(10,659.87)</u>
Foreign currency translation adjustment	-	(9.55)	489.26	85.28	223.84	(38.74)	618.23
Unrealized gain on investments	-	-	353.48	121.56	1,479.48	368.10	3,202.08
<b>Comprehensive Net Loss</b>	<u>(688.04)</u>	<u>(2,318.73)</u>	<u>(4,453.64)</u>	<u>(1,599.09)</u>	<u>(1,820.69)</u>	<u>(7,667.98)</u>	<u>(6,839.56)</u>
Net loss per share -basic and diluted	(0.07)	(0.15)	(0.21)	(0.05)	(0.11)	(0.24)	(0.32)
Weighted average shares outstanding - basic and diluted	10,214.61	15,217.86	25,512.70	33,439.30	336,535.61	33,649.61	739,949.82

**Global Gold Corporation**  
**Consolidated Cash Flow for 2004, 2005, 2006 and 2007**

<b>All numbers in thousands</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Q1 2007</b>	<b>Q2 2007</b>	<b>Q3 2007</b>
Net loss	(688.04)	(2,309.19)	(5,296.37)	(1,805.92)	(3,524.01)	(7,997.34)
Amortization of unearned compensation	316.76	292.99	1,017.74	255.70	483.18	744.14
Stock option expense	-	-	225.89	307.53	343.81	433.81
Amortization expense	-	156.87	609.73	95.03	190.07	285.10
Depreciation expense	-	24.70	221.97	82.82	214.42	394.44
Accrual of stock bonuses issued in 2007	-	-	(27.95)	-	-	-
Write-off of investment	-	-	-	-	-	-
Loss on disposal of discontinued operations	-	237.81	-	-	-	-
Equity in loss on joint venture	-	12.00	-	-	-	-
Gain on extinguishment of debt	(110.42)	-	-	-	-	-
Gain on sale of investments (non-cash portion)	(8.75)	-	(2,150.97)	-	-	(1,507.09)
Other non-cash expenses	-	-	26.66	-	-	-
Changes in assets and liabilities:	-	-	-	-	-	-
Other current and non current assets	-	(207.24)	(1,057.02)	(114.36)	(1,428.34)	(93.12)
Accounts payable and accrued expenses	54.83	107.22	737.32	(114.91)	(559.51)	850.70
<b>Net cash flows used in operating activities</b>	<b>(435.63)</b>	<b>(1684.85)</b>	<b>(5692.99)</b>	<b>(1294.11)</b>	<b>(4280.39)</b>	<b>(6889.36)</b>
<b>INVESTING ACTIVITIES:</b>						
Purchase of property, plan and equipment	-	-	(1,611.83)	(140.76)	(394.01)	(1,186.14)
Deposits on contract and equipment	-	-	-	(115.49)	-	(2,353.95)
Proceeds from sale of Armenia mining interest	-	-	-	-	-	-
Proceeds from sale of investment in common stock	34.88	-	-	-	-	3,130.53
Investment in joint ventures	-	(260.00)	-	-	-	-
Investment in mining licenses	(77.44)	(1,500.00)	(1,200.00)	-	-	-
<b>Net Cash Used In Investing Activities</b>	<b>(42.56)</b>	<b>(1760.00)</b>	<b>(2811.83)</b>	<b>(256.25)</b>	<b>(394.01)</b>	<b>(409.57)</b>
<b>FINANCING ACTIVITIES:</b>						
Net proceeds from private placement offering	1,485.00	2,961.00	12,235.03	-	16.50	16.50
Repurchase of common stock	-	-	-	-	-	-
Due to related parties	(139.80)	-	-	-	-	-
Warrants exercised	-	55.00	2,250.00	-	-	-
<b>Net Cash Flows Provided By Financing Activities</b>	<b>1345.21</b>	<b>3016.00</b>	<b>14485.03</b>	<b>0.00</b>	<b>16.50</b>	<b>16.50</b>
Effect Of Exchange Rate On Cash	0.00	(38.51)	489.26	85.28	328.36	1582.34
Net increase (decrease) in cash	867.02	(467.36)	6469.47	(1465.09)	(4329.54)	(5700.09)
<b>Cash And Cash Equivalents - beginning of period</b>	<b>147.25</b>	<b>1014.27</b>	<b>546.91</b>	<b>7016.38</b>	<b>7016.38</b>	<b>7016.38</b>
<b>Cash And Cash Equivalents - end of period</b>	<b>1014.27</b>	<b>546.91</b>	<b>7016.38</b>	<b>5551.29</b>	<b>2686.84</b>	<b>1316.29</b>