

Tornado Gold International Corp
Form S-1/A
May 09, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**Pre-Effective Amendment #1
FORM S-1/A**

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TORNADO GOLD INTERNATIONAL CORPORATION

(Name of Small Business Issuer in Its Charter)

<u>Delaware</u> (State or Jurisdiction of Incorporation or organization)	<u>1041</u> (Primary Standard Industrial Classification Code Number)	<u>94-3409645</u> (IRS Employer Identification No.)
	8600 Technology Way, Suite 118 Reno, Nevada, 89521 <u>(775) 852-3770</u>	

(Address and telephone number of principal executive offices
and principal place of business)

Earl W. Abbott
President and Chief Executive Officer

Copies of all communications to:

Clark Wilson LLP
Attn: L.K. Larry Yen, Esq.
800 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3H1
(604) 891-7715
FAX (604) 687-6314

(Name, address and telephone number of agent for service)

Approximate Date of Commencement of Proposed Sale to the Public: From time to time after the effective date of
this Registration Statement.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities
Act, check the following box and list the Securities Act registration statement number of the earlier effective
registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the
following box and list the Securities Act registration statement number of the earlier effective registration
statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. []

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered (1)	Proposed Maximum Offering Price Per Unit (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Common Stock, \$.001 par value per share	11,960,000(3)\$	0.31 \$	3,707,600 \$	397

- (1) Pursuant to Rule 416 under the Securities Act, this registration statement covers such additional securities as may become issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions pursuant to the terms of the warrants referenced below.
- (2) Pursuant to Rule 457(c) estimated solely for purposes of calculating amount of registration fee, based upon the average of the high and low price of our common stock as quoted on the OTC Bulletin Board on December 26, 2006.
- (3) We have reduced the number of shares of common stock to be registered to 8,252,500, including 2,272,500 shares of common stock and 5,980,000 shares of common stock issuable upon exercise of certain warrants at the price of \$0.60 per share.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

8,252,500 SHARES

TORNADO GOLD INTERNATIONAL CORPORATION

COMMON STOCK

This prospectus relates to the sale or other disposition of up to 8,252,500 shares of our common stock, \$0.001 par value per share. These shares may be offered and sold or otherwise disposed of from time to time by the selling stockholders named herein or their pledges, donees, transferees, or other successors in interest. We are not selling any securities in this offering, and therefore, will not receive any proceeds from this offering. However, we will receive proceeds in the amount of \$3,588,000 assuming the cash exercise of 5,980,000 warrants held by the selling stockholders.

The selling stockholders may dispose of their common stock through public or private transactions at prevailing market prices or at privately negotiated prices. The selling stockholders may include pledgees, donees, transferees, or other successors in interest. The selling stockholders will pay any sales commissions incurred in connection with the disposition of shares through this prospectus.

Our common stock is traded on the OTC Bulletin Board under the symbol **TOGI** . On April 10, 2008, the last sale price of our common stock as reported by the OTC Bulletin Board was \$0.105 per share.

You should carefully consider Risk Factors beginning on page 6 for important information you should consider when determining whether to invest in our common stock.

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 _____, 2008

TABLE OF CONTENTS

<u>Prospectus Summary</u>	<u>4</u>
<u>Risk Factors</u>	<u>6</u>
<u>Forward-Looking Statements</u>	<u>11</u>
<u>Use of Proceeds</u>	<u>11</u>
<u>Dividend Policy</u>	<u>12</u>
<u>Capitalization</u>	<u>12</u>
<u>Market for Common Equity and Related Stockholder Matters</u>	<u>12</u>
<u>Management's Discussion and Analysis or Plan of Operation</u>	<u>14</u>
<u>Changes in and Disagreements with Accountants</u>	<u>19</u>
<u>Business</u>	<u>19</u>
<u>Management</u>	<u>24</u>
<u>Executive Compensation</u>	<u>27</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>29</u>
<u>Selling Stockholders</u>	<u>30</u>
<u>Certain Relationships and Related Transactions</u>	<u>31</u>
<u>Description of Property</u>	<u>32</u>
<u>Description of Common Stock</u>	<u>32</u>
<u>Plan of Distribution</u>	<u>32</u>
<u>Litigation</u>	<u>34</u>
<u>Legal Matters</u>	<u>34</u>
<u>Experts</u>	<u>34</u>
<u>Where You Can Get Additional Information</u>	<u>34</u>
<u>Financial Statements</u>	<u>F-1</u>

PROSPECTUS SUMMARY

This summary contains basic information about us and this offering. It does not contain all of the information that is important to you. You should read carefully this entire prospectus, including the Risk Factors, and the financial

information and related notes before making an investment decision.

Company Background.

We were incorporated in Nevada as Nucotec, Inc. on October 8, 2001, in order to serve as a holding company for Salty's Warehouse, Inc., which sold consumer electronics products and other name-brand products over the Internet. On March 19, 2004, pursuant to a Plan of Reorganization and Acquisition, we disposed of our operating asset, Salty's Warehouse, Inc. On July 7, 2004, we changed our name from Nucotec, Inc. to Tornado Gold International Corp. to reflect our new business focus. On February 28, 2007, we filed a Certificate of Merger with the State of Delaware changing our domicile from Nevada to Delaware through the merger of our Nevada corporation into our wholly owned Delaware subsidiary created solely for this purpose. In this prospectus, the words we, our, ours, and us refer only to Tornado Gold International Corp. and not to any of the selling stockholders.

Our principal executive offices are located at 8600 Technology Way, Suite 118, Reno, Nevada, 89521, and the telephone number is (775) 852-3770.

Business Overview.

Under our new management, we undertook a different business focus: the identification and acquisition of properties exhibiting the potential for gold mining operations by others.

Private Placements

On July 18, 2006, we sold an aggregate of 6,145,000 units of our securities to 16 accredited investors or non-U.S. persons in a private placement. The purchase price was \$0.30 per unit, for an aggregate amount of approximately \$1,834,500. Out of the 6,145,000 unit sold, 1,145,000 units consisted of one share of common stock and one warrant to purchase one share of common stock (Regular Warrant). The Regular Warrants have an exercise period of three years and an exercise price of \$0.60 per share.

Included in the 6,145,000 unit sold, 5,000,000 units consisted of special warrants with each special warrant (Special Warrant) entitling the holder thereof to acquire one share of common stock, without additional consideration, and one Regular Warrant. The holder of Special Warrants, in its discretion, may convert one Special Warrant into one share of common stock at any time not later than 10 years from the closing without the tender of any additional consideration. However, the Special Warrants have no voting rights. The Special Warrants shall not be exercisable if, after giving effect to any such purported exercise, the holder, together with any affiliate thereof (including any person or company acting jointly or in concert with the holder) (the Joint Actors) would in the aggregate beneficially own, or exercise control or direction over, that number of our voting securities that is 9.99% or greater of the total of our issued and outstanding voting securities, immediately after giving effect to such exercise; provided, however, that upon the holder providing our company with sixty-one (61) days notice that such holder would like to waive this provision with regard to any or all shares of common stock issuable upon exercise of the warrants, this provision will be of no force or effect with regard to all or a portion of the warrants referenced in the Waiver Notice. The Regular Warrants have an exercise period of three years and an exercise price of \$0.60 per share.

In December 2005, we sold 625,000 units of our securities in a private placement at a price of \$0.80 per unit to one investor, who is also a note holder. Each unit consisted of one share of our common stock and a warrant to purchase one share of our common stock at \$0.85 per share. The warrants expire in December 2010.

On April 1, 2008, we entered into a settlement agreement with the subscriber of the Special Warrants whereby we agreed to issue and register an additional 2,272,500 shares of our common stock for this subscriber in exchange for the subscriber's release of all of our liabilities under the registration rights agreement between our company and this subscriber.

The Offering.

Shares Offered by the Selling Stockholders We are registering 8,252,500 shares of common stock, consisting of 2,272,500 shares of common stock and 5,980,000 shares of common stock issuable upon exercise of the warrants, all for sale or other disposition by the selling stockholders identified under the heading Selling Stockholders. There can be no assurance that any or all of the unissued shares will be issued.

Common Stock Outstanding There are 35,785,689 shares of common stock issued and outstanding as of April 10, 2008.

Use of Proceeds

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders. We may receive proceeds of \$3,588,000 if all of the Regular Warrants held by the selling stockholders are exercised for cash. Management anticipates such proceeds will be used for working capital and

- 5 -

other general corporate purposes. We cannot estimate how many, if any, Regular Warrants will be exercised.

Risk Factors Purchase of our common stock involves a high degree of risk. You should read and carefully consider the information set forth under **Risk Factors** beginning on page 6 and the information contained elsewhere in this prospectus.

Summary Consolidated Financial Data

The following summary of financial information sets forth certain historical financial data derived from our financial statements for the periods presented. While the following financial information reflects the operating history, results of operations, and financial condition of our operations to date, these results may bear little, if any, relationship to the potential financial success of our business operations. The results of operations are not necessarily indicative of the results for any future period.

The following summary financial information should be read in conjunction with our financial statements and related notes beginning on page F-1 of this prospectus and the discussions under the headings **Business** and **Management's Discussion and Analysis or Plan of Operation**.

	For the year ended December 31, 2007
--	---

Statement of Operations Data:

Income (loss) from operations	\$ (2,170,629)
Net income (loss)	\$ (2,514,979)
Basic and diluted net income (loss) per share	\$ (0.08)
Weighted-average basic and diluted common shares outstanding	30,111,526

	December 31, 2007
--	----------------------------------

Balance Sheet Data:

Cash and other current assets	\$ 17,574
Mining claims	\$ 581,048
Total assets	\$ 607,804
Total stockholders' equity (deficit)	\$ (1,836,761)

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the material risk factors listed below and all other information contained in this prospectus before investing in our common stock. You should also keep these risk factors in mind when you read the forward-looking statements. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us.

If any of the following risks occur, our business, our quarterly and annual operating results, and/or our financial condition could be materially and adversely affected. In that case, the market price of our common stock could decline or become substantially volatile and you could lose some or all of your investment.

Risks Related to Our Company and Our Business

There is no assurance that we will operate profitably or will generate positive cash flow in the future.

We have never generated any revenues from operations. We do not presently have sufficient financial resources or any operating cash flow to undertake by ourselves all of our planned exploration and development programs. If we cannot generate positive cash flows in the future, or raise sufficient financing to continue our normal operations, then we may be forced to scale down or even close our operations. Furthermore, our ability to meet our business plan could be adversely affected.

We will depend almost exclusively on outside capital to pay for the continued exploration and development of our properties. Such outside capital may include the sale of additional stock and/or commercial borrowing. Capital may not be available to meet our continuing exploration and development costs or, if the capital is available, it may not be on terms acceptable to us. The issuance of additional equity securities by us would result in a significant dilution in the equity interests of our then-current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

If we are unable to obtain financing in the amounts and on terms deemed acceptable to us, we may be unable to continue our business, and as a result, we may be required to scale back or cease operations for our business, the result of which would be that our stockholders would lose some or all of their investment.

We have a limited operating history, and if we are not successful in continuing to grow our business, we may have to scale back or even cease our ongoing business operations.

Our company has a limited operating history and must be considered in the exploration stage. Our operations will be subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history. We may be unable to operate on a profitable basis. We are in the exploration stage and potential investors should be aware of the difficulties normally encountered by enterprises in the exploration stage. If our business plan is not successful, and we are not able to operate profitably, investors may lose some or all of their investment in our company.

There are numerous exploration and development risks associated with our industry.

There is no assurance given by us that our exploration and development programs and properties will result in the discovery, development, or production of a commercially viable ore body.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that our mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The economics of developing gold and other mineral properties are affected by many factors, including capital and operating costs, variations of the grade of ore mined, fluctuating mineral markets, costs of processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond our control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of milling facilities, mineral markets, and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection.

The price of gold can be volatile.

Gold prices historically have fluctuated widely and are affected by numerous factors outside of our control, including industrial and retail demand, central bank lending, sales and purchases of gold, forward sales of gold by producers and speculators, levels of gold production, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the US dollar (the currency in which the price of gold is generally quoted), interest rates, and global or regional political or economic events.

The potential profitability of our operations is directly related to the market price of gold. A decline in the market price of gold would materially and adversely affect our financial position. A decline in the market price of gold may also require us to write-down any mineral reserves that we might book, which would have a material and adverse effect on our earnings and financial position. Further, if the market price of gold declines, we may experience liquidity difficulties if and when we attempt to sell any gold we discover. This may reduce our ability to invest in exploration and development, which would materially and adversely affect future production, earnings, and our financial position.

Competition in the gold mining industry is highly competitive and there is no assurance that we will be successful in acquiring leases.

The gold mining industry is intensely competitive. We compete with numerous individuals and companies, including many major gold exploration and mining companies, that have substantially greater technical, financial, and operational resources and staffs. Accordingly, there is a high degree of competition for desirable mining leases, suitable properties for mining operations, and necessary mining equipment, as well as for access to funds. We cannot predict if the necessary funds can be raised or that any projected work will be completed. There are other competitors that have operations in the Nevada area and the presence of these competitors could adversely affect our ability to acquire additional leases.

Government regulation and environmental regulatory requirements may impact our operations.

Failure to comply with applicable environmental laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on us and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of our knowledge, we are operating in compliance with all applicable environmental regulations.

Adversarial legal proceedings may adversely affect us.

We may become party to litigation or other adversary proceedings, with or without merit, in a number of jurisdictions. The cost of defending such claims may take away from management time and effort and if determined adversely to us, may have a material and adverse effect on our cash flows, results of operation, and financial condition. As at the date of this Registration Statement, we are not a party to any material litigation or other adversary proceeding.

Our directors and/or officers may have conflicts of interest.

There is no assurance given by us that our directors and officers will not have conflicts of interest from time to time.

- 8 -

Our directors and officers have entered into, and may continue to enter into, numerous mining leases and options with us, which may not have been, or may not be, at arms-length.

Furthermore, our directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which we may participate, our directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. In the event that such a conflict of interest arises at a meeting of our directors, a director who has such a conflict will abstain from voting for or against any resolution involving any such conflict.

We may be subject to uninsured risks.

There is no assurance given by us that we are adequately insured against all risks.

We may become subject to liability for cave-ins, pollution, or other hazards against which we cannot insure or against which we have elected not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities.

Our Bylaws contain provisions indemnifying our officers and directors against all costs, charges, and expenses incurred by them.

Our Bylaws contain provisions with respect to the indemnification of our officers and directors against all costs, charges, and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him, in a civil, criminal, or administrative action or proceeding, to which he is made a party by reason of his being or having been one of our directors or officers.

Our Bylaws do not contain anti-takeover provisions, which could result in a change of our management and directors if there is a take-over of us.

We do not currently have a stockholder rights plan or any anti-takeover provisions in our Bylaws. Without any anti-takeover provisions, there is no deterrent for a take-over of us, which may result in a change in our management and directors.

Risks Related to Owning Our Stock

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because our operations have been primarily financed through the sale of convertible debt and equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new projects and continue our current operations. If our stock price declines, we may not be able to raise additional capital or generate funds from operations sufficient to meet our obligations.

Trading of our stock may be restricted by the SEC's Penny Stock regulations, which may limit a stockholder's ability to buy and sell our stock.

The U.S. Securities and Exchange Commission has adopted regulations which generally define penny stock to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term accredited investor refers generally to institutions with assets in excess of

\$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the penny stock rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Trading in our common shares on the OTC Bulletin Board is limited and sporadic, making it difficult for our stockholders to sell their shares or liquidate their investments.

Our common shares are currently quoted on the OTC Bulletin Board. The trading price of our common shares has been subject to wide fluctuations. The market price of a publicly traded stock, especially a junior resource issuer like us, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of the market for junior resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the OTC Bulletin Board suggests that our shares will continue to be volatile. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with no current business operation. There can be no assurance that trading prices and price earnings ratios previously experienced by our common shares will be matched or maintained. These broad market and industry factors may adversely affect the market price of our common shares, regardless of our operating performance. Therefore, investors could suffer significant losses if our shares are depressed or illiquid when an investor seeks liquidity and needs to sell our shares.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management's attention and resources.

Because of the early stage of development and the nature of our business, our securities are considered highly speculative.

Our securities must be considered highly speculative, generally because of the nature of our business and the early stage of its development. We are engaged in the business of mining. Our properties are in the exploration stage only and are without known gold reserves. Accordingly, we have not generated any revenues nor have we realized a profit from our operations to date and there is little likelihood that we will generate any revenues or realize any

profits in the short term. Any profitability in the future from our business will be dependent upon locating and developing gold, which itself is subject to numerous risk factors as set forth herein. Since we have not generated any revenues, we will have to raise additional monies through the sale of our equity securities or debt in order to continue our business operations.

Investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share if we issue additional shares or raise funds through the sale of equity securities.

In the event that we are required to issue any additional shares or enter into private placements to raise financing through the sale of equity securities, investors' interests in us will be diluted and investors may suffer dilution in their net book value per share, depending on the price at which such securities are sold. If we issue any such additional shares, such issuances also will cause a reduction in the proportionate ownership and voting power of all other stockholders. Further, any such issuance may result in a change in our control.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements include indications regarding our intent, belief, or current expectations. Discussions in this prospectus under the headings Prospectus Summary, Risk Factors, Management's Discussion and Analysis or Plan of Operation and Business, as well as in other parts of this prospectus, include forward-looking statements. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations, prospects and intentions, markets in which we participate, and other statements in this prospectus that are not historical facts. Forward-looking statements are based on management's beliefs, assumptions, and expectations of our future economic performance, taking into account the information currently available to management. When used in this prospectus, the words expect, project, may, will, shall, anticipate, believe, estimate, intend, objective, plan, seek, and similar words and expressions, or the negative words or expressions, are generally intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that may cause our actual results, performance, and/or financial condition to differ materially from the expectations of future results, performance, or financial condition we express or imply in any forward-looking statements. Factors that could contribute to these differences include those discussed in Risk Factors and in other sections of this prospectus. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. We qualify any forward-looking statements entirely by these cautionary factors.

BUSINESS OVERVIEW

We were incorporated in Nevada as Nucotec, Inc. on October 8, 2001, in order to serve as a holding company for Salty's Warehouse, Inc. We disposed of that asset in March 2004 as described herein and changed our name to Tornado Gold International Corp. in July 2004. Prior to March 2004, we operated through Salty's Warehouse; under our current management, we are an exploration stage company that has begun to acquire low-risk, high-grade properties for gold exploration in Nevada. Using the evaluation technique described herein, we hope to acquire properties that will offer new economically viable gold mining properties for resale to entities who will undertake to begin mining operations on those properties. We believe that our technical team, consisting of our new management, will help us operate successfully.

USE OF PROCEEDS

We will not receive any proceeds from the sale or other disposition of any of the shares being registered on behalf of the selling stockholders, nor will such proceeds be available for our use or benefit.

We may receive proceeds of \$3,588,000 if all of the Regular Warrants held by the selling stockholders are exercised for cash. Management anticipates such proceeds will be used for working capital and general corporate purposes. We

cannot estimate how many, if any, Regular Warrants will be exercised.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We anticipate that any earnings will be retained for development and expansion of our business and do not anticipate paying any cash dividends in the near future. Our Board of Directors has sole discretion to pay cash dividends based on our financial condition, results of operation, capital requirements, contractual obligations, and other relevant factors.

CAPITALIZATION

The following table sets forth our capitalization on December 31, 2007.

	Shares Authorized	Shares Outstanding	Amount
Common stock	100,000,000	30,311,526	\$ 30,312
Additional paid-in capital			\$ 2,077,507
Accumulated deficit			\$ (704,993)
Deficit accumulated during the exploratory stage			\$ (4,739,169)
Subscribed Warrants			\$ 1,500,000
Stock subscription receivable			\$ (418)
Net stockholders' equity (deficit)			\$ (1,836,761)

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is quoted on the OTC Bulletin Board and in the Pink Sheets under the trading symbol TOGI. The Company completed a 50-for-1 forward stock split of its issued and outstanding shares of common stock on April 27, 2004; a 6.82 -for-1 forward stock split on August 31, 2004; and a 1.20 -for-1 forward stock split on May 31, 2005.

The following table sets forth the high and low bid prices for our common stock for the periods indicated, as reported by Pink Sheets, LLC. These quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission, and may not represent actual transactions.

	Closing Bid	
	High	Low
Fiscal Year 2005:		
Quarter Ended March 31, 2005	\$ 1.01	\$ 0.75
Quarter Ended June 30, 2005 (before 20% stock dividend through May 24, 2005)	\$ 1.06	\$ 0.80
Quarter Ended June 30, 2005 (after 20% stock dividend from May 25, 2005)	\$ 0.53	\$ 0.51
Quarter Ended September 30, 2005	\$ 0.81	\$ 0.53
Quarter Ended December 31, 2005	\$ 0.84	\$ 0.67
Fiscal Year 2006:		
Quarter Ended March 31, 2006	\$ 0.915	\$ 0.50
Quarter Ended June 30, 2006	\$ 1.04	\$ 0.50
Quarter Ended September 30, 2006	\$ 0.85	\$ 0.45
Quarter Ended December 31, 2006	\$ 0.45	\$ 0.18
Fiscal Year 2007		
Quarter Ended March 31, 2007	\$ 0.60	\$ 0.21
Quarter Ended June 30, 2007	\$ 0.49	\$ 0.25
Quarter Ended September 30, 2007	\$ 0.30	\$ 0.15
Quarter Ended December 31, 2007	\$ 0.20	\$ 0.055

As of April 10, 2008, there were approximately 39 holders of record of our common stock.

Options. We have a total of 210,000 exercisable options to purchase shares of our common stock currently outstanding, of which 60,000 were granted in 2004 and 150,000 were granted in 2005. We have 150,000 options outstanding to purchase shares of our common stock at \$0.75 per share to a consultant pursuant to a consulting service agreement. Of these 150,000 options, 25,000 options were granted in September 2005 and 125,000 options were granted in December 2005; these 150,000 options expire September 28, 2010. We also granted 60,000 options to purchase shares of our common stock at \$0.15 per shares to former employees of the company. In June 2006, former management exercised some of their options to purchase a total of 24,800 shares of the Company's common stock for \$3,720. The remaining options expire in March 2014.

Warrants. We have 625,000 warrants outstanding to purchase shares of our common stock at \$0.85 per share. These warrants expire in December 2010. As the result of our July 18, 2006 private placement, we have an aggregate of 6,145,000 additional warrants to purchase our common stock at \$0.60 per share. These warrants expire in July 2009. We also have outstanding 5,000,000 special warrants with each special warrant (Special Warrant) entitling the holder thereof to acquire one share of common stock without additional consideration. The holder of Special Warrants, in its discretion, may convert one Special Warrant into one share of common stock at any time not later than 10 years from the closing without the tender of any additional consideration. However, the Special Warrants have no voting rights. The Special Warrants shall not be exercisable if, after giving effect to any such purported exercise, the holder, together with any affiliate thereof (including any person or company acting jointly or in concert with the holder) (the Joint Actors) would in the aggregate beneficially own, or exercise control or direction over, that number of our voting securities that is 9.99% or greater of the total of our issued and outstanding voting securities, immediately after giving effect to such exercise; provided, however, that upon the holder providing our company with sixty-one (61) days notice that such holder would like to waive this provision with regard to any or all shares of common stock issuable upon exercise of the warrants, this provision will be of no force or effect with regard to all or a portion of the warrants referenced in the Waiver Notice.

Penny Stock Regulation

Shares of our common stock are subject to rules adopted by the Securities and Exchange Commission that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the Securities and Exchange Commission, which contains the following:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities laws;
- a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
- a toll-free telephone number for inquiries on disciplinary actions;
- definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- such other information and in such form (including language, type, size, and format), as the Securities and Exchange Commission shall require by rule or regulation.

Prior to effecting any transaction in penny stocks, the broker-dealer also must provide the customer the following:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written, suitable statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Holders of shares of our common stock may have difficulty selling those shares because our common stock will probably be subject to the penny stock rules.

Dividends

We have never declared or paid any cash dividends on our common stock. We anticipate that any earnings will be retained for development and expansion of our business and do not anticipate paying any cash dividends in the near future. Our Board of Directors has sole discretion to pay cash dividends based on our financial condition, results of operation, capital requirements, contractual obligations, and other relevant factors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

We begin Management's Discussion and Analysis or Plan of Operation with a discussion of our business overview. This overview is followed by a discussion of selected financial information line items and a detailed analysis of our plan of operation and results of operations. This section should be read in conjunction with our Consolidated Financial Statements and the Notes thereto, which are included elsewhere in this report.

Business Overview

We are a junior exploration company. Our business focus is on the identification and acquisition of properties that exhibit the potential for gold mining operations by others.

We were incorporated in Nevada on October 8, 2001, initially to serve as a holding company for Salty's Warehouse, Inc., which sold consumer electronics products and other name-brand consumer products over the Internet. On March 19, 2004, pursuant to a Plan of Reorganization and Acquisition, we disposed of Salty's Warehouse, Inc., and under our current management, undertook our current business focus. In connection with that change of business focus, on July 7, 2004, we changed our name to Tornado Gold International Corp. from Nucotec, Inc., which name change had been approved by our Board of Directors and the holders of a majority of our outstanding common stock on May 12, 2004. On February 28, 2007, we filed a Certificate of Merger with the State of Delaware changing our domicile from Nevada to Delaware through the merger of our Nevada corporation into our wholly owned Delaware subsidiary created solely for this purpose.

Critical Accounting Policies

Our Management's Discussion and Analysis or Plan of Operation section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and

litigation. Management bases its estimates and judgments on historical experience and on various

other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities, which are not readily apparent from other sources, accruals for other costs, and the classification of net operating loss and tax credit carry-forwards between current and long-term assets. These accounting policies are more fully described in the notes to the financial statements included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007.

Mining Costs

Costs incurred to purchase, lease or otherwise acquire property are capitalized when incurred. General exploration costs and costs to maintain rights and leases are expensed as incurred. Management periodically reviews the recoverability of the capitalized mineral properties and mining equipment. Management takes into consideration various information including, but not limited to, historical production records taken from previous mine operations, results of exploration activities conducted to date, estimated future prices and reports, and opinions of outside consultants. When it is determined that a project or property will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or property.

Liquidity and Capital Resources

We had cash and cash equivalents totaling \$3,566 as of December 31, 2007, and had prepaid expenses totaling \$14,008, making our total current assets \$17,574. We also had mining claims of \$581,048, computer equipment of \$2,104, deferred offering costs of \$2,500 and intangible assets of \$4,578, making our total assets \$607,804 as of December 31, 2007. As of that date, our available cash and cash equivalents were not sufficient to pay our day-today expenditures or to effectuate our business plan. We are committed to continue to seek the necessary financing needed to continue operating through the sale of equity or debt financing, though there is no guarantee we will be able to do so.

As of December 31, 2007, we had a net working capital deficit of \$2,426,991.

Net cash used in operating activities was \$764,685 for the year ended December 31, 2007 compared to \$1,144,404 for the year ended December 31, 2006.

Due to numerous economic and competitive risks, any or all of which may have a material adverse impact upon our operations, there can be no assurance that we will be able to generate significant revenues or achieve a level of positive cash flow that would permit us to continue our current business plan. Our current plans encompass the identification and acquisition of properties exhibiting the potential for gold mining operations by others. However, as noted, we must continue to raise additional capital in order to ensure the availability of resources sufficient to fund all of our general and administrative expenses for the next twelve months.

No assurances can be given that we will be able to obtain sufficient operating capital through the sale of our common stock and borrowing or that the development and implementation of our business plan will generate sufficient revenues in the future to sustain ongoing operations. These factors raise substantial doubt with our auditor about our ability to continue as a going concern.

Plan of Operations.

In July 2006, we closed a financing of US \$1,844,000. A substantial portion of the funds have been devoted to the lease costs of our properties. We also spent a material portion for administrative overhead and future acquisition opportunities. Thus, we have approximately, \$3,500 available for exploration on its current properties and general and

administrative expenses over the next 12 months, during which period we will continue to pursue additional financing opportunities to further its exploration and acquisition program.

- 15 -

We begin our exploration process by attempting to understand the regional geology of our prospects and by progressing through the district-wide geologic setting. Eventually, we graduate to the geologic setting of each individual proposed drill hole. Before drilling, we attempt to predict our probability of success, and we will drill only sites that we believe have the best chance of encountering a gold deposit. Typically, we will engage in integrated surface geological, geochemical, and geophysical analysis before we begin drilling. Some of the specific methods that we will engage in include magmatic affinity, pluton vectoring, kinetic structural analysis, and metal dispersion.

To date, we have acquired leases in several claim blocks in the North Central Nevada area. However, in addition to our initial exploration program, we will need to spend significant funds to complete further in-depth drilling and engineering studies before we can identify whether or not we have a commercially viable mineral deposit.

Future funding levels will also determine the extent and number of properties that we will explore. No certainty can be ascertained on our overall exploration program until significant funding levels have been achieved.

While most properties will be examined and sampled, we will also analyze the results of all previous work that is publicly available for the properties. We currently expect that in Spring 2009, we will perform a small amount of drilling on the Jack Creek property. A ranking system will enable us to decide which properties will undergo detailed work and drill at the earliest opportunity. The remaining properties will be made available for farm-out or for development at a later date, or dropped all-together from further work.

The following is a list of projects on which we have decided to focus during the next 12 months. The prioritization of, and the projects themselves, are expected to change depending on funding levels and preliminary sampling results:

Jack Creek. We intend to undertake geological and structural analysis, as well as soil sampling and geophysical surveys, on this property, located in the Independence Mountains mining district about 50 miles north of Elko, Nevada. If we are able to obtain additional financing, the intended work is in preparation for an intended drill program on the property currently expected to be performed in Spring 2008, which, in aggregate, is expected to cost up to approximately \$100,000.

The Jack Creek Property comprises a total of approximately 6,000 acres in Elko County, Nevada, and is located in the northern Independence Mountains. Management believes that the property is attractive because it occupies the southwest flank of a prominent gravity high, indicating the presence of relatively shallow Paleozoic carbonate sedimentary rocks.

We acquired an option for 53 additional claims at the Jack Creek Property, Elko County, Nevada. The option was acquired from Gateway Gold (USA) Corp. through two of our directors, Earl Abbott and Stanley Keith. We have the option to earn a 50% undivided interest in the 53 claims through our expenditure on the claims of a total of \$500,000 in various stages by March 1, 2007, 2008, and 2009. Currently, however, we do not have such funds available and will need to raise additional funds in order to exercise the option.

NT Green. Subject to our ability to obtain further financing, exploration is currently anticipated to occur during the Spring of 2009 and will focus on delineating drill targets. The property will be prospected by sampling and analysis of mineralized rock. We expect to perform a kinematic structural analysis of the property and expect to produce a more realistic geologic map than those made available in the past. A soil geochemistry program will aid in identifying favorable fault structures and intersections, as well as the centers of the most active hydrothermal activity. A pluton vectoring study is expected to be performed by analysis of all intrusive rocks and their interpretation. In addition, an airborne magnetic survey is expected to be performed over the property to aid in the discovery of dikes and sills and to aid in the mapping and structural analysis. It is intended that by the Spring of 2008, we will have identified targets for permitting and drilling. We expect that it will cost up to approximately \$100,000 to complete this program; however, that amount may vary depending on preliminary results.

Our forecast for our operations involves risks and uncertainties, and actual results could fail as a result of a number of factors. We will need to raise additional capital to exploit our properties. In the event that we experience a

- 16 -

shortfall in our capital, we intend to pursue capital through public or private financing as well as borrowings and other sources. We cannot guarantee that additional funding will be available on favorable terms, if at all and if adequate funds are not available. Our ability to continue or expand our operations may be significantly hindered. We have not contemplated any plan of liquidation in the event that we do not generate revenues.

As an exploration company, we are not currently conducting any research and development activities and we do not anticipate conducting such activities in the near future. In the event that we obtain significant funding to fully implement our exploration program, we will need to hire additional employees or independent contractors and possibly purchase or lease additional equipment. With large current demand for resource exploration equipment and human capital in the state of Nevada, there is no guarantee that we will be able to meet our equipment and human capital needs. However, management believes that the network of relationships developed over the years by our officers and directors in Nevada will largely mitigate any shortages that similar companies face.

The projects described above will be managed by Dr. Earl Abbott. Dr. Abbott holds a Ph.D degree in geology from Rice University where he studied the tectonics of the western U.S. He has spent 34 years exploring for mineral deposits, 26 of them for gold in Nevada, and, with Carl Pescio, he managed an exploration program in Nevada in 1981 resulting in the acquisition of 3 gold ore bodies that were mined profitably. Over his career, Dr. Abbott has consulted to the mining industry and has been an officer and director of several junior mining companies. Dr. Abbott is a Certified Professional Geologist by the American Institute of Professional Geologists (AIPG) and past President of the Nevada Chapter. He is also a member and past President of the Geological Society of Nevada (GSN), the Nevada Petroleum Society (NPS), and the Denver Region Exploration Geologists Society (DREGS); and he is a member of the Society of Economic Geologists (SEG), the Society for Mining, Metallurgy, and Exploration (SME), the Geological Society of America (GSA), the Northwest Mining Association (NWMA), the British Columbia & Yukon Chamber of Mines, and the Prospectors and Developer Association of Canada (PDAC). Dr. Abbott is a Qualified Person under the rules of National Instrument 43-101.

We expect to utilize the services of various third-party geological professionals to assist with the various projects. The number of consultants will depend on our initial exploratory results and funding levels. No plans are in place for a significant change in the number of full-time personnel.

Product Research and Development

We do not intend to conduct any research and development over the twelve months ending December 31, 2008.

Purchase of Significant Equipment

We do not intend to purchase any significant equipment over the twelve months ending December 31, 2008.

Result of Operations.

For the year ended December 31, 2007, compared to the year ended December 31, 2006

Revenue - We have realized no revenues for the year ended December 31, 2007 and no revenues for the year ended December 31, 2006.

Operating Expenses - For the year ended December 31, 2007, our total operating expenses were \$2,170,629, compared to our total operating expenses of \$1,264,273 in the corresponding prior period. Of the \$2,170,629 incurred in the year ended December 31, 2007, \$167,957 related to our mining exploration, \$341,322 related to general and administrative activities, \$Nil related to our compensation expense on option grants and \$1,661,350 resulted from loss from abandonment of mining claims. Of the \$1,264,273 incurred in the year ended December 31, 2006, \$705,286 related to mining exploration, \$512,630 related to general and administrative activities, and \$46,356 related to our

compensation expense on options grants. During the year period ended December 31, 2007, we accrued \$249,975 in liquidated damages for breach of a registration rights agreement and \$94,375 in interest expenses on notes payable, compared to interest accruing during the year ended December 31, 2006, of \$81,326. No interest has been paid on notes payable during either period. On

Of the \$167,957 that we incurred in our mining operations during the year ended December 31, 2007, \$61,819 relates to technical consulting services rendered by our President. Of the \$341,322 that we incurred in general and administrative expenses during the year ended December 31, 2007, \$38,685 relates to services rendered by our President. Of the \$100,504 in total fees charged by our President, \$53,344 was still owed to him at December 31, 2007. Other notable general and administrative expenses incurred for the year ended December 31, 2007 include investor relations of \$126,563, accounting fees of \$27,530, legal fees of \$70,542, and rent expense of \$16,757.

	For the Year Ended	
	December 31,	
	2007	2006
Professional fees: Legal fees	\$ 70,542	\$ 136,005
Administrative Fee: E Abbott	38,685	51,350
Investor Relations	\$ 126,563	105,288
Professional fees: Accounting fees	27,529	39,498
Administrative Fee: G. Drazenovic	Nil	50,000
Insurance	6,499	4,811
Employee leasing	6,987	11,554
Travel	26,167	59,235
Advertising	Nil	2,500
Rent	16,757	18,888
Consulting fees	Nil	16,649
Stock Transfer Fees	3,797	1,275
Depreciation	3,397	111
Telephone	9,582	3,071
Office expense	4,405	11,169
Dues and subscriptions	180	912
Bank fees	72	144
Taxes and licenses	160	170
	\$ 341,322	\$ 512,629

Off-Balance Sheet Arrangements.

There are no off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors; except for our commitment to lease certain mining property that require us to make substantial lease payments in the future as disclosed in Notes to the financial statements included elsewhere in this Proxy Statement.

Private Placements

In December 2005, we sold 625,000 units in a private placement at a price of \$0.80 per unit to an investor, who is also a note holder. Each unit consisted of one share of our common stock and a warrant to purchase one share of our common stock at \$0.85 per share. The warrants expire in December 2010.

On July 18, 2006, we sold an aggregate of 6,145,000 units of our securities to 16 accredited investors or non-U.S. persons in a private placement. The purchase price was \$0.30 per unit, for an aggregate amount of approximately \$1,843,500. Out of the 6,145,000 unit sold, 1,145,000 units consisted of one share of common stock and one

warrant to purchase one share of common stock (Regular Warrant). The Regular Warrants have an exercise period of three years and an exercise price of \$0.60 per share.

Included in the 6,145,000 unit sold, 5,000,000 units consisted of special warrants with each special warrant (Special Warrant) entitling the holder thereof to acquire one share of common stock, without additional consideration, and one Regular Warrant. The holder of Special Warrants, in its discretion, may convert one Special Warrant into one share of common stock at any time not later than 10 years from the closing without the tender of any additional consideration. However, the Special Warrants have no voting rights. The Special Warrants shall not be exercisable if, after giving effect to any such purported exercise, the holder, together with any affiliate thereof (including any person or company acting jointly or in concert with the holder) (the Joint Actors) would in the aggregate beneficially own, or exercise control or direction over, that number of our voting securities that is 9.99% or greater of the total of our issued and outstanding voting securities, immediately after giving effect to such exercise; provided, however, that upon the holder providing our company with sixty-one (61) days notice that such holder would like to waive this provision with regard to any or all shares of common stock issuable upon exercise of the warrants, this provision will be of no force or effect with regard to all or a portion of the warrants referenced in the Waiver Notice. The Regular Warrants have an exercise period of three years and an exercise price of \$0.60 per share.

On October 9, 2007, we issued 200,000 shares of our common stock to one accredited investor pursuant to an agreement we entered into with the accredited investor to acquire rights to the Illipah prospect. We issued these shares of our common stock in a private placement transaction exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) of the Securities Act of 1933 and/or Regulation D promulgated thereunder.

On February 15, 2008, we issued 3,201,663 shares of our common stock to two non-U.S. persons (as that term is defined in Regulation S of the Securities Act of 1933) pursuant to conversions of convertible promissory notes previously issued to these two non-U.S. persons. We issued these shares of our common stock in offshore transactions relying on Regulation S and/or Section 4(2) of the Securities Act of 1933.

On April 1, 2008, we issued 2,272,500 shares of our common stock to one non-U.S. person (as that term is defined in Regulation S of the Securities Act of 1933) pursuant to a release and settlement agreement we entered into with the non-U.S. person to release our company from liquidated damage provisions contained in a registration rights agreement we entered into with the non-U.S. person for a previous private placement. We issued these shares of our common stock in an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

There have been no changes in, or disagreements with, our accountants since our formation required to be disclosed pursuant to Item 304 of Regulation S-B that have not been previously reported.

The reports of Jonathon P. Reuben for the fiscal years-ended December 31, 2005, and December 31, 2004, did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to audit scope or accounting principles, except as described herein. The report of Jonathon P. Reuben for these fiscal years was qualified with respect to uncertainty as to our ability to continue as a going concern.

BUSINESS

Corporate History and Business Overview

We were incorporated in Nevada as Nucotec, Inc. on October 8, 2001, in order to serve as a holding company for Salty s Warehouse, Inc. We disposed of that asset in March 2004 as described herein and changed our name to Tornado Gold International Corp. in July 2004. Our new management has undertaken to change our business focus. Prior to March 2004, we operated through Salty s Warehouse; under our new management, we are an exploration stage

company that has begun to acquire low-risk, high-grade properties for gold exploration in Nevada. Using the evaluation technique described herein, we hope to acquire properties that will offer new economically viable gold

mining properties for resale to entities who will undertake to begin mining operations on those properties. We believe that our technical team, consisting of our new management, will help us operate successfully. Earl W. Abbott, our officer and director, has extensive data and program management experience; and Carl A. Pescio, also one of our directors, has on-the-ground prospecting and property knowledge. There is, however, no assurance that a commercially viable mineral deposit exists on any of our properties. Further exploration will be required before a final evaluation as to the economic and legal feasibility is determined.

In particular, one of our former directors, Stanley B. Keith, has developed what we believe to be a new and unique technological approach for the exploration of certain types of gold deposits; we hope to use this approach to identify suitable properties. Mr. Keith's approach has been developed over a twenty-year period and has been applied to a large, world-wide database that links specific geochemical signatures of certain types of gold deposits. Even though Mr. Keith is no longer a director of our company, we believe we have acquired sufficient knowledge in this technological approach to identify suitable properties.

We believe that using this methodology can enable us to eliminate properties that would turn out to contain lower-quality gold deposits. Utilizing this geochemical screening methodology, we will seek to operate a successful property-acquisition program that eliminates higher risk properties.

Our Current Business

From 2004 to 2006, we acquired a total of 16 properties comprised of about 44,840 acres, all located in the North Central Nevada area, in several transactions. These 16 properties included Jack Creek, Brock, Dry Hills, Golconda, Goodwin Hill, HMD, Horseshoe Basin, Illipah, Marr, North Battle Mountain, NT Green, South Lone Mountain, Stargo, Walti, West Whistler and Wilson Peak. Under the various lease agreements we entered into respecting these properties, we were obligated to make periodic lease payments to maintain our interests in these properties. On September 24, 2007, we entered into a joint venture agreement with Allied Nevada Gold Corp., a company created by Carl Pescio and others to which Carl Pescio assigned all of his interests in 15 separate properties, relating to our joint venture with Allied Nevada Gold Corp. The 15 properties covered by the joint venture agreement included Brock, Dry Hills, Golconda, Goodwin Hill, HMD, Horseshoe Basin, Illipah, Marr, North Battle Mountain, NT Green, South Lone Mountain, Stargo, Walti, West Whistler and Wilson Peak.

Under the September 2007 joint venture agreement, we were obliged to pay Allied Nevada Gold Corp. \$975,000 on or before February 5, 2008. We also agreed to pay \$375,000 on or before June 30 of each year for annual property payment on these 15 properties. We also agreed to incur certain minimum amounts on field geologic activities during the earn-in period. This agreement also provides that once we expended a total of \$1,500,000 on any property, we will have earned a 60% interest in that property.

Effective January 1, 2008, we entered into a new Exploration and Option to Enter Operating Agreement with Allied Nevada Gold Corp., which superseded the September 2007 joint venture agreement. The 2008 Exploration and Option to Enter Operating Agreement limited the scope of joint ventures between our company and Allied Nevada Gold Corp. to only two properties, namely the Illipah property and the NT Green property.

Pursuant to the 2008 Exploration and Option to Enter Operating Agreement, we paid to Allied Nevada Gold Corp. \$100,000 on February 6, 2008 to compensate them for federal annual mining claim maintenance fees, county recording fees and other fees payable for the maintenance of the two properties. Beginning on June 30, 2008 and on June 30 of each succeeding year during the term of the agreement, we also agree to pay \$70,000 to Allied Nevada Gold Corp. for the purpose of compensating them for fees payable for the maintenance of these two properties.

Under the 2008 Exploration and Option to Enter Operating Agreement, we also agreed to certain annual expenditure obligations in accordance with the following schedule:

Performance Date		Annual Amount
On or before December 31, 2008		\$150,000
On or before December 31, 2009		\$200,000

- 20 -

On or before December 31, 2010		\$400,000
On or before December 31 of each succeeding year		\$400,000

The 2008 Exploration and Option to Enter Operating Agreement further provides that we have the option to earn and vest an undivided sixty percent (60%) interest in a property and to form a joint venture for the management and ownership of the property when the Company has incurred and paid expenditures in the amount of \$1,500,000 on a particular property.

As a result of the 2008 Exploration and Option to Enter Operating Agreement, we currently have mining claims in three (3) properties and they are the Jack Creek property, the Illipah property and the NT Green property.

After further exploration, our next phases of development will be to advance these properties by identifying and prioritizing the drill targets, evaluating the economic and legal feasibility of drilling those targets, and then actually drilling those targets.

Mining Claims. The properties we hold claims to are described below:

Jack Creek Property - On October 3, 2005, we paid the Bureau of Land Management \$30,875 as consideration on the Exploration License and Option to Lease Agreement entered into between the Company and Mr. Earl Abbott, and Stanley Keith to explore 247 claims (nearly 5,000 acres) known as the Jack Creek Property. Mr. Abbott is our president, chief executive officer, and one of our directors, and Mr. Keith was a director of our company at that time. In addition, on August 7, 2006, we acquired an option for 53 additional claims at the Jack Creek Property. The option was acquired from Gateway Gold (USA) Corp. through Messrs. Abbott and Keith.

Under the preliminary terms of this agreement, we were granted a license to explore the property for a period of six-months to determine what claims, if any, we wish to lease. The term of the license is for six-months, but we have the option to extend.

If we lease all of the 247 claims, we will be required to make the following advance lease payments:

Due Date	Amount
Upon signing	\$ 22,500
1st anniversary	\$ 30,000
2nd anniversary	\$ 37,500
3rd anniversary	\$ 50,000
4th anniversary	\$ 62,500
5th anniversary and each anniversary thereafter	\$ 100,000

If any payments due from us to the Owners are not paid within 30 days of its due date, interest will be begin to accrue on the late payment at a rate of 2% over the prime rate established by the Department of Business and Industry of the State of Nevada.

Upon completion of a bankable feasibility study and payments totaling \$140,000, all subsequent payments will convert into advance minimum royalty payments that are credited against the 4% production royalty due. A 1% royalty is also due the owners on production on property consisting of a two-mile circumference surrounding the leased property.

We will have the option to purchase one-half of the royalty applicable to the property representing 2% of the net smelter returns. We will also have the right to elect to purchase such part of the royalty in increments representing 1% of the net smelter returns and the purchase price for each such increment shall be \$1,500,000. We will have the option

to purchase one-half of the area of interest royalty applicable to mineral rights, mining claims, and properties which we acquire from third parties representing 0.5% of the Net Smelter Returns. The purchase price for such part

of the area of interest royalty shall be \$500,000 for the 0.5% of the area of interest royalty applicable to mineral rights, mining claims, and properties which we acquire from any third party.

We shall be responsible for all environmental liabilities and reclamation costs we create and for indemnifying the Owners against any such claims or obligations. We can terminate the lease at any time by giving 30 days notice provided that there are no outstanding environmental or reclamation liabilities and that all lease and production royalty payments are current.

The terms and obligations disclosed above are based upon preliminary agreements of the parties still under review and may be subject to change.

NTGreen Property - The NTGreen property is located in central Lander County, Nevada, about 30 miles southwest of the town of Battle Mountain. The property is connected with Battle Mountain via an interstate highway, paved roads, good gravel roads, and finally a system of unimproved, dirt roads. We held a total of 12 unpatented lode mining claims in the form of an option agreement with the claimant, Carl A. Pescio, one of our directors. All of the claims are recorded with the Lander County Recorder and filed with the Bureau of Land Management (BLM). The property is subject to a 4% net smelter royalty that may be bought down to a 2% net smelter royalty by the payment of \$1,500,000 per one percent. On September 24, 2007, we entered into a joint venture agreement with Allied Nevada Gold Corp., a company created by Carl Pescio and others to which Carl Pescio assigned all of his interests in, among other things, the NTGreen property, relating to our joint venture with Allied Nevada Gold Corp. Under this joint venture agreement, we were obliged to pay Allied Nevada Gold Corp. \$975,000 on or before February 5, 2008. Subsequently, we entered into the 2008 Exploration and Option to Enter Operating Agreement superseding the 2007 joint venture agreement with respect to the NT Green property. This agreement provides that, among other things, once we expended a total of \$1,500,000 on this property, we will have earned a 60% interest in this property.

Geological information relating to the NT Green property: upper Paleozoic sedimentary rocks are exposed in an erosional window beneath Tertiary volcanic rocks. The Paleozoic rocks exhibit the characteristics of gold-bearing rocks. A fault structure does traverse onto the NTGreen property. Placer Dome Mining Company is a former operator of the NTGreen property, but no data from their exploration work is in our hands. Low levels of gold as well as associated trace elements are documented from the property by limited surface sampling done by Mr. Pescio.

The NTGreen property is undeveloped and no reserves or resources are known. No mining or other mineral development is known to have been performed on the property. Mr. Pescio did only limited work on the property and no work has been done by us. We believe that there are indications that an extensive gold system is present on the property that may have significant economic potential, though there is no guarantee that this is the case. We plan to conduct exploration work in the form of geological, geochemical, and geophysical studies to develop drill targets. Drilling will investigate these targets. Our management believes discovery of potentially economic gold values will be followed by development of a reserve and, eventually, mining.

Illipah Prospect - On August 23, 2006, the company entered into an agreement to acquire the Illipah prospect consisting of 191 unpatented mining claims located in White Pine County, Nevada in consideration of \$100,000 and 300,000 shares of its common stock. Under the terms of the purchase agreement, \$50,000 was paid and 50,000 shares of our common stock were issued upon signing with an additional \$50,000 paid and 100,000 shares of restricted common stock issued on November 21, 2006. An additional 200,000 shares of restricted common stock have been issued as agreed to under the agreement. Further, we assumed the seller's obligations in an underlying exploration and mining lease agreement on the claims, and granted to the seller a production royalty of two percent (2%) of net smelter returns on all rents and mineral production from the property. We also agreed to pay \$48,007 to the United States Department of the Interior Bureau of Land Management for mining claim maintenance fees, and be responsible for future annual maintenance and filing fees on the acquired claims and any advanced minimum royalty payments due to Carl Pescio, one of our directors, and Janet Pescio under an August 31, 2001, agreement between the Pescio's and the seller. On September 24, 2007, we entered into a joint venture agreement with Allied Nevada Gold Corp., a

company created by Carl Pescio and others to which Carl Pescio assigned all of his interests in, among other things, the NTGreen property, relating to our joint venture with Allied Nevada Gold Corp. Under this joint venture agreement, we were obliged to pay Allied Nevada Gold Crop. \$975,000 on or before February 5, 2008. Subsequently, we entered into the 2008 Exploration and Option to Enter Operating Agreement superseding

the 2007 joint venture agreement with respect to the NT Green property. This agreement provides that, among other things, once we expended a total of \$1,500,000 on this property, we will have earned a 60% interest in this property.

The Illipah prospect is situated in eastern Nevada at the southern extension of the Carlin Trend. The property consists of one hundred ninety one unpatented federal Bureau of Land Management lode mining claims, approximately 3,820 acres.

All of the properties held are located in the state of Nevada. We have recently commenced our exploration of these properties and have yet to determine whether any of our properties are commercially viable. In order for us to complete this analysis, additional funding is required.

Intellectual Property.

We use the trade name Tornado Gold International Corp. We also own the domain name and content of our website, located at www.tornadogold.com. Our website costs \$17 per month, though occasionally higher costs are incurred when we add information to our website. We depend on our management's expertise in assessing potential property acquisitions, and as such, our business depends on that proprietary information.

Competition.

In the United States, there are numerous mining and exploration companies, both big and small. All of these mining companies are seeking properties of merit and funds. We will have to compete against such companies to acquire the funds to develop our mineral claims. The availability of funds for exploration is sometimes limited, and we may find it difficult to compete with larger and more well-known companies for capital. Even though we have the right to the minerals on our claims, there is no guarantee we will be able to raise sufficient funds in the future to maintain our mineral claims in good standing. Therefore, if we do not have sufficient funds for exploration, our claims might lapse and be staked by other mining interests. We might be forced to seek a joint venture partner to assist in the exploration of our mineral claims. In this case, there is the possibility that we might not be able to pay our proportionate share of the exploration costs and might be diluted to an insignificant carried interest.

Even when a commercial viable ore body is discovered, there is no guarantee competition in refining the ore will not exist. Other companies may have long-term contracts with refining companies, thereby inhibiting our ability to process our ore and eventually market it. At this point in time, we do not have any contractual agreements to refine any potential ore we might discover on our mineral claims.

The exploration business is highly competitive and highly fragmented, dominated by both large and small mining companies. Success will largely depend on our ability to attract talent from the mining field and our ability to fund our operations. There is no assurance that our mineral expansion plans will be realized.

Government Regulation.

We are committed to complying, and, to our knowledge, are in compliance, with all governmental and environmental regulations. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. We cannot predict the extent to which future legislation and regulation could cause additional expense, capital expenditures, restrictions, and delays in the exploration of our properties.

Our activities are not only subject to extensive federal, state, and local regulations controlling the mining of, and exploration for, mineral properties, but also the possible effects of such activities upon the environment. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, and delays in the exploration of our properties, the extent of which cannot be predicted. Permits may also be required from a variety of regulatory authorities for many aspects of mine operation and reclamation. In the context of environmental permitting,

including the approval of reclamation plans, we must comply with known standards, existing laws, and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by