



NEW NADINA EXPLORATIONS LIMITED

INTERIM FINANCIAL STATEMENTS For the Six Months Ended February 29, 2008 (Unaudited)

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Responsibility for financial statements

The accompanying financial statements for New Nadina Explorations Limited (the "Company") have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. These financial statements are expressed in Canadian funds and have not been reviewed by the auditor of New Nadina Explorations Limited. The most significant of these accounting principles have been set out in the August 31, 2007 audited financial statements. There have been no changes in accounting policies from the latest completed financial yearend. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

New Nadina Explorations Limited

(An Exploration Stage Company)

Balance Sheets

As at February 29, 2008 and August 31, 2007

Expressed in Canadian Funds

| | <i>(unaudited)</i> February 29, 2008 | <i>(audited)</i> August 31, 2007 |
|---|---|-------------------------------------|
| Assets | | |
| Current | | |
| Cash | \$ 77,035 | \$ 291,316 |
| Receivables and prepaid | 39,186 | 107,924 |
| Due from Joint Venture partners | 82 | 37,914 |
| | <u>116,313</u> | <u>437,154</u> |
| Deposits | 27,500 | 27,500 |
| Mineral properties | 38,414 | 38,414 |
| | <u>\$ 182,217</u> | <u>\$ 503,068</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | 60,579 | 363,824 |
| Due to Kettle River Resources Ltd. (Note 2) | 238,060 | 26,007 |
| Due to directors and shareholders | 8,400 | 3,366 |
| | <u>307,039</u> | <u>393,197</u> |
| Shareholders' Equity (Deficit) | | |
| Capital stock (Note 3) | 7,997,228 | 7,812,076 |
| Contributed surplus | 754,006 | 700,661 |
| Deficit | <u>(8,876,056)</u> | <u>(8,402,866)</u> |
| | <u>(124,822)</u> | <u>109,871</u> |
| | <u>\$ 182,217</u> | <u>\$ 503,068</u> |

Operations and going concern (Note 1)

On behalf of the Board

Signed

Ellen Clements, Director

"Signed"

Larry Widmer, Director

The accompanying notes form an integral part of these financial statements

New Nadina Explorations Limited

(An Exploration Stage Company)

Statements of Operations and Deficit

For the Six month periods ended February 29, 2008 and February 29, 2007

(Unaudited)

| | Three months ended | | Six months ended | |
|--|-----------------------|-----------------------|----------------------|----------------------|
| | February 29, 2008 | February 28, 2007 | February 29, 2008 | February 29, 2007 |
| Exploration expenses * | | | | |
| Assaying, caustic fusion & analyses | \$ 72,753 | \$ 38,693 | 260,535 | 38,693 |
| Drilling | 87,132 | 10,705 | 238,862 | 10,705 |
| Geophysics | 4,868 | - | 40,925 | - |
| Geologist and engineering | - | 12,790 | - | 16,199 |
| General Exploration | - | 23,441 | - | 49,689 |
| Property costs | 418 | 417 | 500 | 499 |
| Sampling | 1,038 | - | 5,407 | 752 |
| Technical reports | - | 24,808 | - | 24,808 |
| Transportation, subsistence | 1,688 | 880 | 7,194 | 880 |
| | <u>167,897</u> | <u>111,734</u> | <u>553,423</u> | <u>142,255</u> |
| * Exploration expenses have been re-categorized for budget program management purposes | | | | |
| Contribution from participants – Note 5 | <u>(10,258)</u> | <u>(31,864)</u> | <u>(205,940)</u> | <u>(31,864)</u> |
| Net exploration expense (Schedule) | <u>157,639</u> | <u>79,870</u> | <u>347,483</u> | <u>110,361</u> |
| Administration expenses | | | | |
| Insurance | 405 | 412 | 808 | 825 |
| Legal, audit and accounting | 8,542 | 12,365 | 21,231 | 19,210 |
| Licences, fees and other | 6,899 | 6,116 | 10,630 | 6,991 |
| Management | 9,000 | 3,000 | 17,000 | 3,000 |
| Office rent | 1,800 | 1,800 | 3,600 | 3,600 |
| Printing, stationery and office | 17,057 | 9,806 | 28,464 | 14,507 |
| Promotional services | - | 5,125 | - | 5,125 |
| Stock Compensation Costs | 12,259 | 91,660 | 48,496 | 232,347 |
| Telephone | 671 | 827 | 1,235 | 1,601 |
| Transfer agent fees | 3,984 | 7,116 | 4,779 | 8,071 |
| Travel and promotion | 9,454 | 4,026 | 19,935 | 9,451 |
| Less: Interest income | (37) | (92) | (2,285) | (120) |
| Less: Joint Venture reimbursements | (1,959) | (1,593) | (28,186) | (1,593) |
| | <u>68,075</u> | <u>140,568</u> | <u>125,707</u> | <u>303,015</u> |
| Net Loss | <u>\$ 225,714</u> | <u>\$ 220,438</u> | <u>473,190</u> | <u>413,376</u> |
| Loss per share, basic and diluted | <u>\$ 0.01</u> | <u>\$ 0.01</u> | <u>0.02</u> | <u>0.02</u> |
| Weighted average common shares outstanding | <u>26,241,703</u> | <u>21,948,628</u> | <u>26,229,065</u> | <u>21,948,628</u> |
| Deficit, beginning of period | <u>\$ (8,650,342)</u> | <u>\$ (7,029,942)</u> | <u>(8,402,866)</u> | <u>(6,837,004)</u> |
| Net Loss | <u>(225,714)</u> | <u>(220,438)</u> | <u>(473,190)</u> | <u>(413,376)</u> |
| Deficit, end of period | <u>\$ (8,876,056)</u> | <u>\$ (7,250,380)</u> | <u>(8,876,056)</u> | <u>(7,250,380)</u> |

The accompanying notes form an integral part of these financial statements

New Nadina Explorations Limited

(An Exploration Stage Company)

Statements of Cash Flows

For the Six month periods ended February 29, 2008 and February 29, 2007

(Unaudited)

| | Three months ended | | Six months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | February 29, 2008 | February 29, 2007 | February 29, 2008 | February 29, 2007 |
| Cash derived from (applied to) | | | | |
| Operating | | | | |
| Net loss for the period | \$ (225,714) | \$ (220,438) | (473,190) | (413,376) |
| Change in non-cash operating items | | | | |
| Receivables and prepaids | (21,000) | 32,776 | 68,739 | 29,496 |
| Due from Joint Venture partners | 140,142 | (17,223) | 37,832 | (893) |
| Payables and accruals | (54,138) | 31,325 | (303,245) | (74,013) |
| Received from (paid to) | | | | |
| Kettle River Resources Ltd. | 210,333 | (3,198) | 212,053 | (2,929) |
| Due to Directors and Shareholders | 70 | 6,785 | 5,034 | 7,037 |
| Stock Compensation | 12,259 | 91,660 | 48,496 | 232,347 |
| | <u>61,952</u> | <u>(78,313)</u> | <u>(404,281)</u> | <u>(222,331)</u> |
| Financing Activities | | | | |
| Issue of shares | 190,000 | - | 190,000 | - |
| | <u>190,000</u> | <u>-</u> | <u>190,000</u> | <u>-</u> |
| Net increase (decrease) in cash | 251,952 | (78,313) | (214,281) | (222,331) |
| Cash, beginning of period | (174,917) | 158,580 | 291,316 | 302,598 |
| Cash, end of period | \$ 77,035 | \$ 80,267 | 77,035 | 80,267 |
| Cash Represented by: | | | | |
| Cash on Hand | <u>77,035</u> | <u>80,267</u> | <u>77,035</u> | <u>80,267</u> |

The accompanying notes form an integral part of these financial statements

New Nadina Explorations Limited

(An Exploration Stage Company)

Notes to the Financial Statements

For the Six month period ended February 29, 2008

(Unaudited)

1. Basis of Presentation

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and they follow the same accounting policies and methods of application as the audited financial statements of New Nadina Explorations Limited (the "Company") for the year ended August 31, 2007. These unaudited interim financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited financial statements and the notes below.

2. Due to Kettle River Resources Ltd.

From time to time, the company engages the services of Kettle River, a company with common directors, to manage exploration projects being carried out on the company's properties and perform office related duties. Amounts due to Kettle River may bear interest, are unsecured and are due on demand.

Amount owing to Kettle River at February 29, 2008 was \$238,060 compared to \$26,007 at August 31, 2007 and \$3,604 at February 29, 2007.

3. Capital stock

a) **Authorized:** Unlimited

b) **Issued and fully paid:**

| | No. of Shares | Value |
|---|-------------------|---------------------|
| Balance at August 31, 2007 | 26,216,428 | \$ 7,812,076 |
| Feb 6, 2008 Exercise warrants – @\$0.35 | 100,000 | * 42,570 |
| Feb 29, 2008 Non Flow Through Jan08 PP @ \$0.25 (1) | 380,000 | * 82,582 |
| Feb 29, 2008 Flow Through Jan08 PP @ \$0.30 (1) | 200,000 | 60,000 |
| Balance at February 29, 2008 | 26,896,428 | \$ 7,997,228 |

* includes proportionate amount credited to Contributed Surplus on issuance of warrants which are transferred to capital stock when exercised.

(1) On January 30, 2008, the Company announced a non-brokered Private Placement for \$1,100,000. Up to \$600,000 will be raised on a flow-through basis of up to two million flow-through shares at 30 cents per share. Up to \$500,000 will be raised on a non-flow-through basis of up to two million units at 25 cents per unit. The non-flow-through units will consist of one common share and one share purchase warrant. Two warrants will entitle the holder to purchase one additional share of the Company on a non-flow-through basis for a period of twenty four months after closing of the placement. The warrant exercise prices will be 35 cents to acquire one share during the first 12 months after closing and then 45 cents during the second year. If after 4 months from closing, the shares of the Company trade at a closing price on the TSX-V of 50 cent or more for 10 consecutive days, the Company may accelerate the expiry date of the outstanding warrants to 30 days from the date notice is given to the warrant holders of the accelerated expiry date. As of February 29, 2008 Tranche 1 filed with TSX and shares issued as listed above, 580,000 shares are subject to a June 30, 2008 hold.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Notes to the Financial Statements

For the Six month period ended February 29, 2008

(Unaudited)

3. Capital stock, continued

Shares issuable under share purchase warrants

| Warrant Expiry | Exercise Price | August 31, 2007 | Issued | Expired | February 29, 2008 |
|-----------------------|----------------------|------------------|----------------|---------|-------------------|
| March 20, 2008 (a) | \$0.35 | 2,195,000 | 100,000 | | 2,095,000 |
| February 29, 2008 (b) | \$0.35 and \$0.45 | 380,000 | | | 380,000 |
| | | <u>2,575,000</u> | <u>100,000</u> | | <u>2,475,000</u> |

(a) Related to a financing dated March 20, 2006, the TSX Venture Exchange approved, on January 24, 2007, an expiry extension of one year on 2,195,000 non-transferable warrants at 35 cents to March 20, 2008.

(b) Related to a financing dated January 30, 2008, these warrants are for Tranche 1 of this Private Placement as filed with the TSX Venture Exchange on February 29, 2008. See Item 3 (b) (1) for further details.

Shares issuable under stock options

| Expiry | Exercise Price | Number of Shares Issuable at August 31, 2007 | Issued | Exercised | Expired and/or Cancelled | Number of Shares Issuable at November 30, 2007 |
|-------------------|----------------|--|--------|-----------|--------------------------|--|
| June 9, 2011 | 0.25 | 825,000 | | | | ** 825,000 |
| February 15, 2012 | 0.20 | <u>490,000</u> | | | | <u>490,000</u> |
| | | <u>1,315,000</u> | | | | <u>1,315,000</u> |

** These options were originally granted on June 9, 2006 at an exercise price of \$0.50 for a period of five years. On July 12, 2007 the company received regulatory approval (subject to disinterested shareholder approval) to reduce the exercise price to \$0.25.

The weighted average exercise price of shares issuable under options at February 29, 2008 is \$0.231 per share with gross potential proceeds of \$304,250.

Share purchase options:

The Company has established a share purchase option plan whereby the board of directors may from time to time grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

The vesting schedules vary depending on the recipient. Director, officer and employee options vest as follows: 1/3 of the total number granted after six months, a further 1/3 after 1 year and the remaining 1/3 at eighteen months after the date of grant. As at February 29, 2008 there were a total of 825,000 options, granted to directors, employee and consultants. The closing market share price on the business day immediately prior to July 12, 2007 was \$0.22. In addition, there were 490,000 options granted at an exercise price of \$0.20 for a period of five years to two directors. The closing market price on the business day immediately prior to the grant date was \$0.19.

NEW NADINA EXPLORATIONS LIMITED

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Notes to the Financial Statements

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(Unaudited)

3. Capital stock, continued

Contributed Surplus

Details are as follows:

| | 2008 | | |
|---|------|---------|----|
| Balance – August 31, 2007 | \$ | 700,661 | \$ |
| Stock-compensation costs expenses November 30, 2007 | | 36,238 | |
| Stock-compensation costs expenses February 29, 2007 | | 12,259 | |
| Exercise of warrants | | (7,570) | |
| Warrants – issued February 29, 2008 | | 12,418 | |
| Balance – February 29, 2008 | \$ | 754,006 | \$ |

Stock based compensation

The fair value of options granted is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

| | Granted on February 15, 2007 | Granted June 4, 2006 Re-priced on July 12, 2007 |
|---|---------------------------------|--|
| Average risk free interest rate | 4.04 | 4.04 % |
| Average expected option life | 5 years | 4 years |
| Stock volatility – based on trading history | 121.55 % | 125.16 % |
| Dividend payments during life of option | Nil | Nil |

Stock based compensation - continued

The Black-Scholes Option Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Of the 1,650,000 options granted on June 9, 2006 to purchase up to 1,650,000 shares of the company at an exercise price of \$0.50 per share, (exercise price amended on July 12, 2007 to \$0.25 per share) 825,000 have since been cancelled or are otherwise no longer exercisable. The total value of these 825,000 options is calculated to be \$143,867. Since the options were granted under a graded vesting schedule \$23,978 of the fair value has been recorded in the Company accounts during the period.

On February 15, 2007, the Company granted options to purchase up to 490,000 shares of the Company at an exercise price of \$0.20 per share. The total fair value of the options granted was calculated to be \$73,555, of which \$24,518 has been recorded in the Company accounts during the period.

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Notes to the Financial Statements

For the Six month period ended February 29, 2008

(Unaudited)

4. Related party transactions

| | Six months ended February 29th | 2008 | 2007 |
|---|--------------------------------|-----------|---------------|
| To Kettle River for various office and secretarial services, project management, rent and supplies | 18,459 | | 29,557 |
| To Network Communications for administrative support and miscellaneous expenses incurred (100% owned by a director) | 19,020 | | 7,483 |
| To Foxy Creek Services Ltd. for office and administrative management services (100% owned by a director) | 25,360 | | 4,240 |
| To Kettle River as settlement for Naket property written-off | 23,312 | | 0 |
| | <u>\$ 86,151</u> | <u>\$</u> | <u>41,280</u> |

5. Schedule of Exploration expenses by property,

| For the Six months ended February 29, 2008 | Silver Queen (Owen Lake) Property | General Exploration (includes Saskatchewan) | Monument Diamond Property 57.49% | Total |
|---|---|--|---|-------------------|
| Assaying, caustic fusion and Analyses | \$ - | \$ - | \$ 260,535 | \$ 260,535 |
| Camp | - | - | - | - |
| Drilling | 137 | - | 238,725 | 238,862 |
| Geophysics | - | - | 40,925 | 40,925 |
| General Exploration | - | - | - | - |
| Property costs | 418 | 82 | - | 500 |
| Till Sampling | - | - | 5,407 | 5,407 |
| Transport, subsistence | - | - | 7,194 | 7,194 |
| | <u>555</u> | <u>82</u> | <u>552,786</u> | <u>553,423</u> |
| Less: JV partner contributions (42.51%) | <u>-</u> | <u>-</u> | <u>(205,940)</u> | <u>(205,940)</u> |
| | <u>\$ 555</u> | <u>\$ 82</u> | <u>\$ 346,846</u> | <u>\$ 347,483</u> |

| For the Six months ended February 29, 2007 | Silver Queen (Owen Lake) Property | Naket Property Nunavut | General Exploration (includes Saskatchewan) | Monument Diamond Property | Total |
|---|---|------------------------------|--|---------------------------------|-------------------|
| Assaying | \$ - | \$ - | \$ - | \$ 38,693 | \$ 38,693 |
| Drilling and geophysics | - | - | - | 10,705 | 10,705 |
| Canada mining lease | - | - | - | - | - |
| Equipment rental | - | - | - | - | - |
| Filing fees | - | - | - | - | - |
| Geologist and engineering | - | 353 | - | 15,846 | 16,199 |
| Property taxes | 417 | - | 82 | - | 499 |
| Prospecting and exploration | - | - | - | 49,689 | 49,689 |
| Sampling | - | - | - | 752 | 752 |
| Supplies | - | - | - | - | - |
| Technical reports | - | - | - | 24,808 | 24,808 |
| Transport, subsistence | - | - | - | 880 | 880 |
| | <u>417</u> | <u>353</u> | <u>82</u> | <u>141,373</u> | <u>142,225</u> |
| Due or (paid) | | | | | |
| JV partner contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>(31,864)</u> | <u>(31,864)</u> |
| | <u>\$ 417</u> | <u>\$ 353</u> | <u>\$ 82</u> | <u>\$ 109,509</u> | <u>\$ 110,361</u> |

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Notes to the Financial Statements

For the Six month period ended February 29, 2008

(Unaudited)

6. Subsequent Events

On March 18, 2008 the Company announced it has granted 750,000 stock options to directors at a price of \$0.25 for a period of five years. All options granted are subject to a vesting schedule where one third shall vest on dates that are six, twelve and eighteen months following the date of grant.

As of March 20, 2008 - 2,095,000 million warrants expired.

As of April 16, 2008 the Company has received an additional \$240,000 from placees subscribing to the Private Placement announced January 30, 2008. Of this 50,000 flow-through shares issued realized \$15,000 and 900,000 non flow-through units issued realized \$225,000.