



NEW NADINA EXPLORATIONS LIMITED

INTERIM FINANCIAL STATEMENTS For the Six Months Ended February 28, 2007 (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, 2006 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 28, 2007 and August 31, 2006

Expressed in Canadian Funds

	<i>(unaudited)</i> February 28, 2007	<i>Restated – Note 6</i> <i>(audited)</i> August 31, 2006
Assets		
Current		
Cash	\$ 80,267	\$ 302,598
Receivables and prepaid	13,373	42,869
Due from Joint Venture partners	33,457	32,564
	<u>127,097</u>	<u>378,031</u>
Deposits	27,500	27,500
Mineral properties	56,648	56,648
	<u>\$ 211,245</u>	<u>\$ 462,179</u>
Liabilities		
Current		
Payables and accruals	\$ 100,342	\$ 174,355
Due to Kettle River Resources Ltd. (Note 2)	3,604	6,533
Due to directors and shareholders	7,634	597
	<u>111,580</u>	<u>181,485</u>
Shareholders' Equity (Deficit)		
Capital stock (Note 3)	6,805,826	6,805,826
Contributed surplus	544,219	311,872
Deficit	(7,250,380)	(6,837,004)
	<u>99,665</u>	<u>280,694</u>
	<u>\$ 211,245</u>	<u>\$ 462,179</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 Three and Six month periods ended February 28, 2007 and February 28, 2006

(Unaudited)

	Three months ended		Six months ended	
	February 28, 2007	February 28, 2006	February 28, 2007	February 28, 2006
Exploration expenses				
Assaying and caustic fusion	\$ 38,693	\$ -	\$ 38,693	\$ -
Drilling and geophysics	10,705	-	10,705	21,135
Filing fees	-	-	-	82
Geologist and engineering	12,790	1,508	16,199	3,152
Property costs	417	-	499	-
Prospecting and exploration	23,441	115	49,689	5,913
Sampling	-	-	752	-
Supplies and equipment maintenance	-	(30)	-	685
Technical reports	24,808	-	24,808	-
Transportation, subsistence	880	-	880	35,720
	<u>111,734</u>	<u>1,593</u>	<u>142,225</u>	<u>66,687</u>
Contribution from participants – Note 5	<u>(31,864)</u>	<u>(2,517)</u>	<u>(31,864)</u>	<u>(19,544)</u>
Net exploration expense (Schedule)	<u>79,870</u>	<u>(924)</u>	<u>110,361</u>	<u>47,143</u>
Administration expenses				
Insurance	412	522	825	966
Legal, audit and accounting	12,365	9,767	19,210	17,013
Licences, fees and other	6,116	1,740	6,991	2,453
Management	3,000	-	3,000	-
Office rent	1,800	1,800	3,600	3,600
Printing, stationery and office	9,806	7,884	14,507	11,859
Promotional services	5,125	-	5,125	-
Stock Compensation Costs	91,660	-	232,347	-
Telephone	827	549	1,601	1,620
Transfer agent fees	7,116	4,549	8,071	5,591
Travel and promotion	4,026	2,311	9,451	2,541
Less: Interest income	(92)	(21)	(120)	(34)
Less: Joint Venture reimbursements	(1,593)	(2,323)	(1,593)	(2,323)
	<u>140,568</u>	<u>26,778</u>	<u>303,015</u>	<u>43,286</u>
Net Loss	<u>220,438</u>	<u>25,854</u>	<u>\$ 413,376</u>	<u>90,429</u>
Loss per share, basic and diluted	<u>0.01</u>	<u>0.00</u>	<u>\$ 0.02</u>	<u>0.01</u>
Weighted average common shares outstanding	<u>21,948,628</u>	<u>15,892,321</u>	<u>21,948,628</u>	<u>15,564,269</u>
Deficit, beginning of period (Restated – Note 6)	(7,029,942)	(6,160,190)	\$ (6,837,004)	\$ (6,095,615)
Net Loss	<u>(220,438)</u>	<u>(25,854)</u>	<u>(413,376)</u>	<u>(90,429)</u>
Deficit, end of period	<u>(7,250,380)</u>	<u>(6,186,044)</u>	<u>\$ (7,250,380)</u>	<u>\$ (6,186,044)</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 Three and Six month periods ended February 28, 2007 and February 28, 2006

(Unaudited)

	Three months ended		Six months ended	
	February 28, 2007	February 28, 2006	February 28, 2007	February 28, 2006
Cash derived from (applied to)				
Operating				
Net loss for the period	\$ (220,438)	\$ (25,854)	\$ (413,376)	\$ (90,429)
Change in non-cash operating items				
Receivables and prepaids	32,776	15,468	29,496	79,365
Due from Joint Venture partners	(17,223)	-	(893)	-
Payables and accruals	31,325	(103,662)	(74,013)	(136,877)
Received from (paid to)				
Kettle River Resources Ltd.	(3,198)	(10,979)	(2,929)	(4,540)
Due to directors and shareholders	6,785	(8,555)	7,037	(20,844)
Stock Compensation	91,660	-	232,347	-
	<u>(78,313)</u>	<u>(133,582)</u>	<u>(222,331)</u>	<u>(173,325)</u>
Financing Activities				
Issue of shares	-	167,500	-	167,500
Due to directors and shareholders	-	-	-	-
	<u>-</u>	<u>167,500</u>	<u>-</u>	<u>167,500</u>
Net increase (decrease) in cash	(78,313)	33,918	(222,331)	(5,825)
Cash, beginning of period	158,580	35,468	302,598	75,211
Cash, end of period	\$ 80,267	\$ 69,386	\$ 80,267	\$ 69,386

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 periods ended February 28, 2007

(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, 2006. 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 do not bear interest, are unsecured and are due on demand.

Amount owing to Kettle River at February 28, 2007 was \$3,604 compared to \$6,533 at August 30, 2006 and \$7,149 at February 28, 2006.

3. Capital stock

a) **Authorized:** On January 25, 2006, shareholders approved the change from 100,000,000 common shares to **No maximum number common shares without par value.**

b) **Issued and fully paid:**

	No. of Shares	Value
Balance at August 31, 2006	21,948,628	\$ 6,805,826
Balance at February 28, 2007	21,948,628	\$ 6,805,826

Note: Issued capital includes 62,500 shares held in escrow subject to the order of the Superintendent of Brokers for British Columbia.

Shares issuable under share purchase warrants

Expiry	Exercise Price	Number of Shares Issuable at August 31, 2006	Issued	Expired	Number of Shares Issuable at February 28, 2007
May 25, 2007	\$0.20	740,000			740,000
March 20, 2008	\$0.35	2,195,000			2,195,000
March 20, 2007	\$0.35	66,400			66,400
		3,001,400			3,001,400

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Notes to the Financial Statements

For the Six month periods ended February 28, 2007

(Unaudited)

3. Capital stock, continued

Shares issuable under stock options

<u>Expiry</u>	<u>Exercise Price</u>	<u>Number of Shares Issuable at August 31, 2006</u>	<u>Issued</u>	<u>Exercised</u>	<u>Expired and/or Cancelled</u>	<u>Number of Shares Issuable at Feb. 28, 2007</u>
June 9, 2011	0.50	1,650,000			a) (575,000)	1,075,000
February 15, 2012			b) 490,000			490,000
		<u>1,650,000</u>	<u>490,000</u>		<u>(575,000)</u>	<u>1,565,000</u>

The weighted average exercise price of shares issuable under options at February 28, 2007 is \$0.406 per share with gross potential proceeds of \$635,500.

a) On November 30, 2006, 75,000 options to a consultant were cancelled. Unvested stock options granted to two former directors in the amount of 500,000 under the Company's Stock Option Plan became un-exercisable and were cancelled and available for re-issuance.

b) On February 15, 2007 incentive options were granted to two directors for the purchase of 490,000 common shares exercisable on or before February 15, 2012 at \$0.20 per share.

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 28, 2007 there were a total of 1,650,000 options, granted at an exercise price of \$0.50 for a period of five years, to directors, employee and consultants, 575,000 of which has been cancelled with balance of 1,075,000. 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.

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:

FOR OPTIONS GRANTED ON:	February 15, 2007	June 9, 2006
Average risk free interest rate	4.04 %	4.04 %
Average expected option life	5 years	5 years
Stock volatility – based on trading history	121.55 %	125.55 %
Dividend payments during life of option	Nil	Nil

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.

NEW NADINA EXPLORATIONS LIMITED

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Notes to the Financial Statements

For the Six month periods ended February 28, 2007

(Unaudited)

3. Capital stock, continued

Stock based compensation - continued

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, 575,000 have since been cancelled or are otherwise no longer exercisable. The total value of the remaining 1,075,000 options is calculated to be \$648,013. Since the options were granted under a graded vesting schedule \$232,347 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. Given the short duration between the date the options were granted and the Company's February 28, 2007 period ending date, in line with prior practice, no amount of the fair valuations has been recorded in the Company accounts during the period.

4. Related party transactions

	Six months ended February 28 th	2007	2006
To Kettle River for various office and secretarial services, project management, rent and supplies		29,557	12,033
To a director for office, administrative support and miscellaneous expenses incurred while conducting company business		7,483	600
To Foxy Creek Services Ltd. for office and administrative management services		4,240	-
		<u>\$ 41,280</u>	<u>\$ 12,633</u>

5. Schedule of Exploration expenses by property,

For the Six months ended February 28, 2007	Silver Queen (Owen Lake) Property	Naket Property Nunavut	Monument Diamond Property	General Exploration (includes Saskatchewan)	Total
Assaying and caustic fusion	\$	\$	\$ 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 costs	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>141,373</u>	<u>82</u>	<u>142,225</u>
Due or (paid) JV partner contributions	-	-	(31,864)	-	(31,864)
	<u>\$ 417</u>	<u>\$ 353</u>	<u>\$ 109,509</u>	<u>\$ 82</u>	<u>\$ 110,361</u>

NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

Notes to the Financial Statements

For the Six month periods ended February 28, 2007

(Unaudited)

5. Schedule of Exploration expenses by property, continued

(a) Contributions due from Joint Venture partners on the Monument expenditures are yet to be determined.

For the Six months ended February 28, 2006	Silver Queen (Owen Lake) Property	Naket Property Nunavut	Monument Diamond Property	General (includes Saskatchewan)	Total
Drilling and geophysics	\$	\$	\$ 21,135	\$	\$ 21,135
Canada mining lease					-
Equipment rental					-
Filing fees				82	82
Geologist and engineering			3,152		3,152
Property taxes					-
Prospecting and exploration	65		5,848		5,913
Supplies	(30)		715		685
Technical reports					-
Transport, subsistence			35,720		35,720
	35		66,570		66,687
Due or (paid) JV partner contributions			(19,544)		(19,544)
	\$ 35	\$ -	\$ 47,026	\$ 82	\$ 47,143

6. Restatement of Financial Statements

The Financial Statements of the Company for the year ended August 31, 2006 have been restated to include an accrued exploration expense of \$30,000 which was related to the completed 2006 Monument exploration program. As a result of this adjustment the following Balance Sheet items have been affected as indicated:

	August 31, 2006 (Original)	Adjustment	August 31, 2006 (Restated)
Due from Joint Venture Partners	19,811	12,753	32,564
Payables and Accruals	144,355	30,000	174,355
Deficit	6,819,757	17,247	6,837,004
Total Assets	449,426	12,753	462,179

7. Directors and Officers

On December 9, 2006, Larry Widmer as director, Secretary and Chief Financial Officer and member of the audit committee replaced Courtland Smith.

Following the annual meeting held January 23, 2007, the directors and officers of the Company are:

Ellen Clements, director, CEO

*Larry Widmer, B.Comm, director, CFO

*Ross Blusson, director

*James Tutton, director

* Members of the Audit Committee

8. Subsequent Events

On January 24th, the TSX Venture Exchange approved an extension to March 20, 2008 related to 2,195,000 non-transferable warrants at 35 cents issued March 20, 2006 with an original expiry of March 20, 2007.

On April 13, 2007 a non-brokered private placement first announced February 26, 2007 was increased to \$1,000,000 for a total issuance of 4,000,000 flow-through shares at a price of \$0.25 per share. Finder's fee are payable in compliance with the TSX Venture Exchange Policy. Proceeds from the placement will be used for continuing exploration work on the Company's 57.49% owned Monument diamond project located near Lac de Gras, NWT and the 100% owned Silver Queen Property near Houston in Central British Columbia.