



DITEM EXPLORATIONS INC.

SECOND QUARTER FINANCIAL REPORT
(unaudited)

For the six months ended
June 30th, 2007

Prepared by Management

DITEM EXPLORATIONS INC.

BALANCE SHEET

(unaudited) (in Canadian dollars)	June 30 2007	December 31 2006	June 30 2006
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	290 498	654 879	51 778
Short-term investments, 3.8%	5 183 493	2 874 507	-
Accounts receivable	164 610	54 805	20 724
Deposits and prepaid expenses	57 065	6 077	582
	5 695 666	3 590 268	73 084
Fixed assets (note 2)	29 814	11 998	9 481
Marketable securities (note 3)	75 646	75 646	180 946
Mining properties (note 4)	1 433 602	1 392 848	872 279
Deferred exploration costs (note 4)	2 702 825	996 599	1 013 818
	9 937 553	6 067 359	2 149 608
LIABILITIES			
Current liabilities			
Accounts payable	727 906	98 770	149 590
	727 906	98 770	149 590
SHAREHOLDERS' EQUITY			
Capital stock (note 5)	13 906 845	10 065 600	5 835 260
Contributed surplus	463 967	463 967	219 900
Deficit	(5 161 165)	(4 560 978)	(4 055 142)
	9 209 647	5 968 589	2 000 018
	9 937 553	6 067 359	2 149 608

STATISTICS

Per share value

Shareholders' equity	0.22	0.18	0.11
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Capital-stock

Shares outstanding	41 681 985	33 952 405	18 616 738
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See accompanying notes to financial statements.

On behalf of the board ;

_(s) Raymond Savoie _____, Director

_(s) Richard-Marc Lacasse _____, Director

DITEM EXPLORATIONS INC.

STATEMENT OF DEFERRED EXPENDITURES

(unaudited)	June 30	December 31
(in Canadian dollars)	2007	2006
	\$	\$
Balance, beginning of period	996 599	1 065 219
Increase (decrease):		
Airborne mega tem survey	1 042 950	200 350
Drilling	71 582	-
Geological work	90 358	36 367
Valuation and development	183 965	-
Helicopter transport	155 161	-
Line cutting	63 000	-
Fuel, diesel and deposit Jet-A	56 406	-
Mobilisation and demobilisation	16 000	-
Travel expenses	12 688	-
Other furnitures	14 116	663
Consideration received on disposal of undivided interest	-	(306 000)
	1 706 226	(68 620)
Balance, end of period	2 702 825	996 599

See accompanying notes to financial statements.

DITEM EXPLORATIONS INC.
STATEMENT OF OPERATIONS AND DEFICIT

(unaudited) (in Canadian dollars)	For the three Months ended June 30 2007	For the three Months ended June 30 2006	For the six Months ended June 30 2007	For the six Months ended June 30 2006
	\$	\$	\$	\$
REVENUE				
Interest	52 050	-	95 942	-
Gain on disposal of marketable securities	-	71 484	-	90 703
	52 050	71 484	95 942	90 703
EXPENSES				
Salaries and social benefits	12 705	1 483	24 788	1 483
Professional fees	88 052	235 133	141 662	334 797
Office, trustees and reports to shareholders	97 233	30 808	181 058	47 311
Rent and taxes	5 806	3 665	13 045	7 330
Travel	76 360	13 823	93 933	19 228
Financial	446	18	945	544
Depreciation	1 358	408	2 201	817
	281 960	285 338	457 632	411 510
NET LOSS OF PERIOD	(229 910)	(213 854)	(361 690)	(320 807)
DEFICIT, BEGINNING OF PERIOD	(4 931 255)	(3 818 788)	(4 560 977)	(3 689 335)
SHARE ISSUE EXPENSE	-	(22 500)	(238 498)	(45 000)
DEFICIT, END OF PERIOD	(5 161 165)	(4 055 142)	(5 161 165)	(4 055 142)
Loss per share, basic and diluted.	0.01	0.02	0.01	0.02

See accompanying notes to financial statements.

DITEM EXPLORATIONS INC.

STATEMENTS OF CASH FLOWS

(unaudited) (in Canadian dollars)	For the three Months ended June 30 2007	For the six Months ended June 30 2007	For the three Months ended June 30 2006	For the three Months ended June 30 2006
	\$	\$	\$	\$
Cash flows from operating activities:				
Net loss for the period	(229 910)	(361 690)	(213 854)	(320 807)
Adjustments for:				
Depreciation	1 358	2 201	408	817
Changes in-non cash working capital items:				
Accounts receivable	(97 504)	(109 805)	(10 386)	(14 402)
Accounts payable and accrued charges	594 642	629 136	34 959	(686)
Deposits and prepaid expenses	(50 988)	(50 988)	1 338	1 338
	217 598	108 854	(187 535)	(333 740)
Cash flows from financing activities:				
Proceeds from shares issuance	557 562	3 841 245	1 171 010	1 171 010
Share issue expenses	-	(238 498)	(22 500)	(45 000)
	557 562	3 602 747	1 148 510	1 126 010
Cash flows from investing activities:				
Purchases of fixed assets	(10 107)	(20 016)	(2 130)	(2 130)
Decrease of marketable securities	-	-	57 864	77 864
Increase of marketable securities	-	-	-	(156 000)
Increase of short-term investments	-	(2 693 217)	-	-
Decrease of short-term investments	384 231	384 231	-	-
Mining properties	(5 520)	(40 754)	(724 305)	(725 600)
Deferred exploration costs	(1 477 771)	(1 706 226)	(254 599)	51 401
	(1 109 167)	(4 075 982)	(923 170)	(754 465)
Net (decrease) increase in cash and cash equivalents	(334 007)	(364 381)	37 805	37 805
Cash and cash equivalents, beginning of period	624 505	654 879	13 973	13 973
Cash and cash equivalents, end of period	290 498	290 498	51 778	51 778

See accompanying notes to financial statements.

DITEM EXPLORATIONS INC.
Notes to Financial Statements
For the six months ended June 30th, 2007

Ditem Explorations Inc. was incorporated on November 26, 1993 under the Canada Business Corporations Act. The Company holds interests in mineral properties which are presently in the exploration stage and has not yet determined whether the properties contain reserves that are economically recoverable.

1. Significant accounting policies:

a) Cash and cash equivalents:

Cash and cash equivalents include temporary investments with a maturity date of three months or less, and are stated at cost, which approximates market value.

b) Mining properties and deferred exploration costs:

Exploration assets are carried at costs. Exploration and development expenses relating to a non-producing property are deferred until the property is brought into production or abandoned. Upon abandonment, these costs are charged to earnings. Management reviews the carrying values of assets on a regular basis to determine whether any write-downs are necessary.

Recovery of the costs of properties and deferred exploration and development expenses depends on the discovery of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete the exploration and development of the properties and future profitable production or the disposal of the properties for proceeds in excess of their carrying value.

c) Fixed assets:

Fixed assets are carried at costs. The depreciation is calculated using the diminishing balance methods at the rate of 20 %.

d) Marketable securities:

Marketable securities are stated at cost, less a provision for write-down in the event of a permanent decline in value.

e) Administrative expenses:

Administrative expenses are charges to operating as incurred.

f) Stock-based compensation and other stock-based payments:

The Company adopted the new accounting recommendations published by the Canadian Institute of Chartered Accountants (« CICA ») relating to stock-based compensation and other stock-based payments made in exchange for goods and services. Effective January 1, 2004, the Company uses the fair value method for the options granted to all participants.

DITEM EXPLORATIONS INC.
Notes to Financial Statements
For the six months ended June 30th, 2007

1. Significant accounting policies (continued):

g) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

Significant areas requiring the use of estimates relate to assessing the realizable values of properties and deferred exploration costs. Consequently, actual results could differ from those estimates.

2. Fixed assets:

	June 30, 2007		December 31, 2006	
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	29 624	8 167	21 457	9 345
Equipment and tools	17 277	8 920	8 357	2 653
	46 901	17 087	29 814	11 998

3. Marketable securities:

	June 30, 2007	December 31, 2006
	\$	\$
130 000 shares of Strateco Resources Inc. (market value \$291 200; \$331 500 - 2006)	50 700	50 700
225 466 common shares of Gastem Inc., representing 2.5% of the shares issued, and those shares are escrowed (market value \$135 280; \$78 913 - 2006)	24 946	24 946
49 202 shares of Cadiscor Resources Inc. (market value \$32 965; \$37 866 - 2006)	-	-
	75 646	75 646

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4. Properties and deferred exploration costs:

	June 30, 2007		December 31, 2006	
	Properties	Deferred exploration costs	Properties	Deferred exploration costs
	\$	\$	\$	\$
Cree Lake	1 220 000	422 057	1 220 000	13 301
Beartooth	-	706 860	-	200 905
Otish Uranium and Otish Uranium South	213 033	1 573 908	172 279	782 393
Hemmingford	569	-	569	-
	1 433 602	2 702 825	1 392 848	996 599

a) Cree Lake property:

On April 18, 2006, Ditem acquired a 100 % interest in the Cree Lake property by issuing 2,000,000 common shares, by a cash payment of \$500 000 plus a net smelter return of 2 %.

b) Beartooth property:

On January 20, 2006, Ditem signed a letter of agreement with Golden Valley Mines granting to Ditem the option to acquire a 66 % interest in the Beartooth property. Ditem may acquire an interest of 50 % by incurring exploration expenditures of \$1 000 000 within 3 years. The Company also issued 2,000,000 warrants that were exercised at \$0.10 each.

Ditem will be able to increase its interest to 60 % by incurring additional exploration expenditures of \$2 000 000 in the 4th year of the agreement.

Ditem can then increase its interest by 6 % by the deposit of a feasibility study within 10 years of the agreement.

c) Otish Uranium and Otish Uranium South property (Beaver Lake, Beaver Lake South and Tichégami:

The Company holds a 90% interest in the properties Beaver Lake, Beaver Lake South and 100% interest in the property of Tichégami.

d) Matoush Royalty:

Ditem opted to obtain a 2 % net smelter return royalty.

DITEM EXPLORATIONS INC.
Notes to Financial Statements
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5. Capital stocks:

Authorized:

An unlimited number of common shares without par value.

	June 30, 2007	December, 31 2006
Issued:	\$	\$
41,681,985 common shares (33,952,405 - 2006)	13 906 845	10 065 600
Issuance during the period:	June 30, 2007	December 31, 2006
	\$	\$
For cash:		
4,231,000 shares (15,444,442 shares in 2006) pursuant to a private placement	2 750 150	3 600 000
3,213,580 shares (6,669,001 shares in 2006) pursuant to exercise of warrants	899 845	860 350
285,000 shares (nil in 2006) pursuant to exercise of stock options	191 250	-
For the acquisition of properties: nil shares (2,000,000 shares in 2006)	-	720 000
In exchange for services: nil shares (606,389 shares in 2006)	-	132 500
For debt settlement: nil shares (245,833 shares in 2006)	-	88 500
	3 841 245	5 401 350
Weighted average number of shares outstanding during the period	20,073,000	16,638,031

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5. Capital stocks (continued):

Share purchase warrants:

The Company has granted share purchase warrants in connection with a financing and could be required to issue shares as follows:

- a. 554,776 shares at \$0.15 until April 5, 2008 ⁽¹⁾
- b. 896,250 shares at \$0.35 until December 11, 2008 ⁽¹⁾
- c. 67,500 shares at \$0.48 until October 6, 2008
- d. 1,399,999 shares at \$0.60 until December 12, 2008 ⁽¹⁾
- e. 2,327,500 shares at \$0.75 until January 25, 2009

(1) The Company accounted for its compensation warrants issued during the year (966,666 shares) by using the Black-Scholes pricing model. At the date of the grant, the weighted average fair value of warrants granted was \$0.2525 per warrant for a total value of \$244 067.

6. Stock option plan:

As at June 30, 2007, 1,797,348 common shares were reserved for future issuances under the stock option plan for the benefit of the directors and officers of the Company. The life of the options cannot exceed 10 years. The options vest over a period of 18 months.

The number of stock options outstanding fluctuated as follows:

	06-30-07	Average exercisable price	12-31-06	Average exercisable price
Balance, beginning of period	400 000	\$ 0.61	510 000	0.62
Issued	10 000	0.75		
Cancelled			(110 000)	0.75
Exercised	(285 000)	0.68		
Balance, end of period	125 000	0.35	400 000	0.61

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6. Stock option plan (continued):

As at June 30, 2007, the following options were outstanding and could be exercised:

125 000 shares at \$0.35 until April 29, 2008

7. Related party transactions:

During the period, the Company paid its share of the cost the lease and other office costs to a company controlled by a director of the Company for an amount of \$15 400. These transactions were recorded at the exchange amount.

8. Financial instruments:

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments.

Short-term financial instruments:

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are short-term financial instruments whose fair value approximates their carrying amount given that they will mature shortly.