



DITEM EXPLORATIONS INC.

THIRD QUARTER FINANCIAL REPORT (unaudited)

For the nine months ended
September 30, 2007 and 2006

Prepared by Management

Financial statements

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DITEM EXPLORATIONS INC.

BALANCE SHEETS

(unaudited) (in Canadian dollars)	September 30 2007	December 30 2006	September 30 2006
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	479 339	654 879	97 411
Short-term investments, 3.8%	3 296 606	2 874 507	
Accounts receivable	376 271	54 805	8 757
Deposits and prepaid expenses	6 077	6 077	582
	4 158 293	3 590 268	106 750
Fixed assets (note 2)	32 476	11 998	9 013
Marketable securities (note 3)	75 646	75 646	130 246
Mining properties (note 4)	1 433 602	1 392 848	872 279
Deferred exploration costs (note 4)	4 194 938	996 599	981 171
	9 894 955	6 067 359	2 099 459
LIABILITIES			
Current liabilities			
Accounts payable	684 539	98 770	41 072
	684 539	98 770	41 072
SHAREHOLDERS' EQUITY			
Capital stock (note 5)	13 981 095	10 065 600	5 843 585
Surplus d'apport	463 967	463 967	219 900
Deficit	(5 234 646)	(4 560 978)	(4 005 098)
	9 210 416	5 968 589	2 058 387
	9 894 955	6 067 359	2 099 459
STATISTICS			
Per share value			
Shareholders' equity	0.22	0.18	0.11
Capital stock			
Shares outstanding	41 920 318	33 952 405	18 672 238

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) (in Canadian dollars)	September 30 2007	December 31 2006
	\$	\$
Balance, beginning of the period	996 599	1 065 219
Increase (decrease)		
Geophysics work	1 064 054	200 350
Drilling	563 292	
Geological work	241 217	36 367
Valuation and development	183 965	
Helicopters transport	892 598	
Lines cutting	63 000	
Fuel, diesel and deposit Jet-A	134 490	
Mobilisation and demobilisation	16 000	
Travel expenses	19 326	
Site preparation , evaluation and others	20 397	
Others furniture's		663
Consideration received on disposal of undivided interest		(306 000)
	3 198 339	(68 620)
Balance, end the period	4 194 938	996 599

See accompanying notes to financial statements.

DITEM EXPLORATIONS INC.

STATEMENT OF LOSS AND DEFICIT

(unaudited) (in Canadian dollars)	For the three Months ended September 30 2007	For the three Months ended 30 septembre 2006	For the nine Months ended September 30 2007	For the nine Months ended September 30 2006
	\$	\$	\$	\$
REVENUE				
Interest	41 385	451	137 327	451
Profit on disposal of marketable securities		86 533		177 236
	41 385	86 984	137 327	177 687
EXPENSES				
Salaries and social benefits	14 190		38 978	1 483
Professional fees	36 161	16 341	177 823	3 51 138
Office, trustees and reports to shareholder	49 021	13 867	232 881	61 190
Rent and taxes	7 236	3 665	17 480	10 995
Travel	6 580	2 305	100 513	21 534
Financial	283	113	1 228	825
Depreciation	1 395	467	3 595	1 285
	114 866	36 758	572 498	448 450
(NET LOSS) NET PROFIT OF PERIOD	(73 481)	50 226	(435 171)	(270 763)
DEFICIT, BEGINNING OF PERIOD	(5 161 165)	(4 055 324)	(4 560 977)	(3 689 335)
SHARE ISSUE EXPENSE			(238 498)	(45 000)
DEFICIT, END OF PERIOD	(5 234 646)	(4 005 098)	(5 234 646)	(4 005 098)
Loss per share, basic and diluted.	0.00	0.00	0.01	0.01

See accompanying notes to financial statements.

DITEM EXPLORATIONS INC.

STATEMENTS OF CASH FLOWS

(unaudited) (in Canadian dollars)	For the three Months ended September 30 2007	For the nine Months ended September 30 2007	For the three Months ended 30 septembre 2006	For the nine Months ended September 30 2006
	\$	\$	\$	\$
Cash flows from operating activities :				
(Net loss) net profit for the period	(73 481)	(435 171)	50 226	(270 763)
Non cash item:				
Depreciation	1 395	3 595	467	1 285
Changes in working capital items				
Accounts receivable	(211 661)	(321 466)	11 967	(1 097)
Accounts payable and accrued charges	(43 367)	585 769	(108 699)	(109 204)
Deposits and prepaid expense	50 988			
	(276 126)	(167 273)	(46 039)	(379 779)
Cash flows from financing activities:				
Proceeds from shares issuance	74 250	3 915 495	8 325	1 179 335
Share issue expenses		(238 498)		(45 000)
	74 250	3 676 997	8 325	1 134 335
Cash flows from investing activities:				
Purchases of fixed assets	(4 057)	(24 073)		(2 130)
Decrease of marketable securities			50 700	128 564
Increase of marketable securities				(156 000)
Increase of short-term investments	(40 310)	(3 869 683)		
Decrease of short-term investments	1 927 197	3 447 585		
Mining properties		(40 754)		(725 600)
Deferred exploration costs	(1 492 113)	(3 198 339)	32 647	84 048
	390 717	(3 685 264)	83 347	(671 118)
Net increase (decrease) in cash and cash equivalents	188 841	(175 540)	45 633	83 438
Cash and cash equivalents, beginning of period	290 498	654 879	51 778	13 973
Cash and cash equivalents, end of the period	479 339	479 339	97 411	97 411

See accompanying notes to financial statements.

DITEM EXPLORATIONS INC.
Notes to Financial Statements
For the nine months ended September 30, 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) Stocks-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 nine months ended September 30, 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 :

	September 30, 2007		December 31, 2006	
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	29 624	8 971	20 653	9 345
Equipment and tool	21 334	9 511	11 823	2 653
	50 958	18 482	32 476	11 998

3. Marketable securities :

	September 30, 2007	December 31, 2006
	\$	\$
130,000 shares of Strateco Resources Inc. (market value \$ 314 600; \$ 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 \$ 117 242 ; \$ 78 913 - 2006)	24 946	24 946
49,202 shares of Cadiscor Resources Inc. (market value \$ 42 806; \$37 866 - 2006)		
	75 646	75 646

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4. Properties and deferred exploration costs:

	September 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	3 066 021	172 279	782 393
Hemingford	569		569	
	1 433 602	4 194 938	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 diamond properties Beaver Lake, Beaver Lake South, a 100% interest in the diamond property of Tichégami.

d) Matoush Royalty:

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

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5. Capital stocks :

Authorized :

An unlimited number of common shares without par value.

	September 30, 2007	December, 31 2006
Issued :	\$	\$
41,920,318 common shares (33,952,405 - 2006)	13 981 095	10 065 600
Issuance during the period :	September 30, 2007	December 31, 2006
	\$	\$
For cash:		
4,231,000 shares (15,444,442 shares in 2006) pursuant to a private placements	2 750 150	3 600 000
3,451,913 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
	3 915 495	5 401 350
Weighted average number of shares outstanding during the period	41,920,318	33,952,405

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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. 691,250 shares at \$0.35 until December 11, 2008 ⁽¹⁾
- c. 67,500 shares at \$0.48 until October 6, 2008
- d. 1,366,666 shares at \$0.60 until December 12, 2008 ⁽¹⁾
- e. 2,327,050 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 September 30, 2007, 3,888,051 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 :

	09-30-07	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		
Issued	1,500,000	0.97		
Cancelled			(110,000)	0.75
Exercised	(285,000)	0.68		
Balance, end of period	1,625,000	0.95	400,000	0.61

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6. Stock option plan (continued):

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

125,000 shares at \$0.35 until April 29, 2008
1,500,000 shares at \$0.97 until July 18, 2012

7. Related party transactions :

During the nine-month period ended September 30, 2007, 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 \$43 601. 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.