



DITEM EXPLORATIONS

**Interim Financial Statements
Quarter ended March 31, 2008**

Financial Statements

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**Interim Financial Statements
As of March 31, 2008**

Notice to reader of the Interim Financial Statements

The Interim Financial Statements of DITEM EXPLORATIONS (The "Company"), including the accompanying Interim Balance Sheet as at March 31, 2008 and the Interim Statements of Earning, Deficit and Cash Flows for the three-month period then ended are the responsibility of the Company's management. These Financial Statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company, KPMG SENCRL.

DITEM EXPLORATIONS

BALANCE SHEETS

(in Canadian dollars)	2008-03-31	2007-12-31	2007-03-31
	Unaudited	Audited	Unaudited
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	763 963	436 975	624 505
Short-term investments, 3.8%	1 671 306	3 141 252	5 567 724
Accounts receivable	965 216	1 336 310	67 106
Deposits and prepaid expenses	3 410	3 410	6 077
	3 403 895	4 917 947	6 265 412
Fixed assets (note 3)	30 120	31 264	21 065
Marketable properties (note 4)	302 703	444 910	75 646
Mining properties (note 5)	1 436 690	1 433 602	1 428 082
Deferred exploration costs (note 5)	6 143 687	4 994 607	1 225 054
	11 317 095	11 822 330	9 015 259
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	153 624	461 247	133 264
	153 624	461 247	133 264
Future income taxes (note 8)	582 00	582 000	
SHAREHOLDERS' EQUITY			
Share capital (note 6)	16 693 302	16 616 852	13 349 283
Contributed surplus	932 315	932 315	463 967
Deficit	(7 044 146)	(6 770 084)	(4 931 255)
	10 581 471	10 779 083	8 881 995
	11 317 095	11 822 330	9 015 259
STATISTICS			
Per share value			
Shareholders' equity	0.24	0.24	0.22
Capital-stock			
Shares outstanding	45 253 085	45 008 085	40 146 568

The accompanying notes are integral part of the Financial Statements.

On behalf of the Board ;

_(signed) Raymond Savoie _____ , Director

_(signed) Richard-Marc Lacasse _____ , Director

DITEM EXPLORATIONS

STATEMENT OF DEFERRED EXPENDITURES

(unaudited) (in Canadian dollars)	2008-03-31 (Unaudited)	2007-12-31 (Audited)
	\$	\$
Balance, beginning of period / year	4 994 607	996 599
Increase (decrease):		
Drilling diamond	727 080	1 120 358
Surveying and geology		2 672 842
Geological work	30 041	343 563
Others	391 959	411 245
Less resource tax credits		(550 000)
	1 149 080	3 998 008
Balance, end of period / year	6 143 687	4 994 607

The accompanying notes are integral part of the Financial Statements.

DITEM EXPLORATIONS

STATEMENTS OF OPERATIONS AND DEFICIT

(unaudited) (in Canadian dollars)	Three-month period ended March 31	
	2008	2007
	\$	\$
REVENUE		
Interest income	24 101	43 892
	<u>24 101</u>	<u>43 892</u>
ADMINISTRATION FEES		
Professional fees	38 211	53 610
Office, trustees and reports to shareholders	54 064	83 826
Rent and taxes	7 236	7 239
Travel	47 708	17 573
Salaries and benefits	6 703	12 083
Financial	460	498
Depreciation	1 574	843
	<u>155 956</u>	<u>175 672</u>
NET LOSS FOR THE PERIOD	(131 855)	(131 780)
UNREALIZED LOSS ON MARKETABLE SECURITIES	(142 207)	
NET LOSS FOR THE PERIOD	(274 062)	(131 780)
DEFICIT, BEGINNING OF PERIOD	(6 770 084)	(4 560 977)
SHARE ISSUE EXPENSES		(238 498)
DEFICIT, END OF PERIOD	(7 044 146)	(4 931 255)
Loss per share, basic and diluted	(0.006)	(0.003)
Weighted average number of outstanding shares	45 008 085	33 952 405

The accompanying notes are integral part of the Financial Statements.

DITEM EXPLORATIONS

STATEMENTS OF CASH FLOWS

(unaudited) (in Canadian dollars)	Three-month period ended March 31	
	2008	2007
	\$	\$
Cash flows from operating activities:		
Net loss of period	(274 062)	(131 780)
Adjustments for:		
Depreciation	1 574	843
Changes in non-cash working capital items:		
Unrealized loss on marketable securities	142 207	
Accounts receivable	371 094	(12 301)
Accounts payable and accrued charges	(307 623)	34 494
	(66 810)	(108 744)
Cash flows financing activities :		
Proceeds from share issuance	76 450	3 283 683
Share issue expenses		(238 498)
	76 450	3 045 185
Cash flows investing activities :		
Additions to fixed assets	(430)	(9 909)
Purchase of short-term investments	1 469 946	(2 693 217)
Mining properties	(3 088)	(35 234)
Deferred exploration costs	(1 149 080)	(228 455)
	317 348	(2 966 815)
Net (decrease) increase in cash and cash equivalents	326 988	(30 374)
Cash and cash equivalents, beginning of period	436 975	654 879
Cash and cash equivalents, end of period	763 963	624 505

The accompanying notes are integral part of the Financial Statements.

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

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. Changes in accounting policies :

Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, *Comprehensive Income*, Section 3251, *Equity*, Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3865, *Hedging*. Changes in accounting policies in conformity with these new accounting standards are as follows:

a) Comprehensive income

Section 1530 introduces the concept of comprehensive income, which is calculated by including other comprehensive income with net income. Other comprehensive income represents changes in shareholders' equity arising from transactions and other events with non-owner sources, such as unrealized gains and losses on financial assets classified as available-for-sale. The adoption of this section had no material impact on the Company's financial statements.

b) Equity :

Section 3251 establishes standards for the presentation of equity and change in equity during the reporting period and requires the Company to present separately equity components and changes in equity arising from (i) net earnings (loss); (ii) other comprehensive income (loss); (iii) other changes in retained earnings; (iv) changes in contributed surplus and (v) changes in capital stock.

c) Financial instruments :

Sections 3855 and 3865 establish standards for recognizing and measuring financial assets, financial liabilities and derivatives. Under these standards, financial instruments are now classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities and measurement in subsequent periods depends on their classification. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are capitalized on initial recognition and presented as an adjustment to the underlying financial instruments. Financial assets and financial liabilities held-for-trading are measured at fair value with changes recognized in income. Available-for-sale financial assets are measured at fair value or at cost, in the case of financial assets that do not have a quoted market price in an active market, and changes in fair value are recorded in comprehensive income.

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

1. Changes in accounting policies (continued) :

c) Financial instruments (continued):

Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. The Company has classified its cash and short-term investments and marketable securities as held-for-trading. Accounts receivable were classified as loans and receivable. All of the Company's financial liabilities were classified as loans and receivable. All of the Company's financial liabilities were classified as other financial liabilities.

Company's financial liabilities were classified as other financial liabilities.

Upon adoption of these new sections, the transition rules require that the Company adjusts either the opening deficit or accumulated other comprehensive income as if the new rules had always been applied in the past, without restating comparative figures of prior years. The adoption of these new sections resulted in a decrease to opening deficit for an amount of \$372,653 to record a gain on marketable securities when measured at fair value. Finally, the adoption of the new standards had no material impact on the net loss for the year ended December 31, 2007.

d) Future accounting pronouncements:

In December 2006, the CICA published three new accounting standards: Section 1535 *Capital Disclosures*; Section 3862 *Financial Instruments – Disclosures*; and Section 3863 *Financial Instruments – Presentation*. These new standards will apply to the Company effective January 1, 2008.

Section 1535 establishes disclosure requirements concerning (a) an equity's objectives, policies and processes for managing capital; (b) the quantitative data about what the entity regards as capital; and (c) whether the entity has complied with any capital requirements and the consequences of non-compliance with such capital requirements.

Section 3862 and 3863 consists of a comprehensive series of disclosure requirements and presentation rules applicable to financial instruments. They revise and enhance the disclosure requirements set out in Section 3861 *Financial Instruments – Disclosure and Presentation* and carry forward unchanged the presentation requirements of Section 3861.

Section 3862 establishes disclosure requirements that enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity exposed and now the entity manages those risks.

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

2. 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 fair 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

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

2. Significant accounting policies (continued) :

g) Income and mining taxes :

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying values and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is included in income the period that includes the enactment date.

The Company renounces tax deductions relating to resource expenditures that are financed by the issuance of flow-through shares for the benefit of its shareholders, as permitted by the tax legislation.

Under the asset and liability method used to account for income taxes, future income taxes related to the temporary differences created by this renouncement are recorded in accordance with EIC-146 when the Company renounces its right to these deductions and a corresponding cost is also recorded as share issue expenses.

h) Resource tax credits:

The Company incurs exploration expenses that are eligible for tax credits. The tax credits are recorded based on the estimated amounts to be recovered. The amounts claimed are subject to an audit by the tax authorities.

Tax credits on exploration relating to mining and exploration assets are deducted from the related assets.

i) 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 expenses 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.

DITEM EXPLORATIONS**Notes to Financial Statements**

March 31, 2008 and December 31, 2007
(Unaudited)

3. Fixed assets :

	March 31, 2008		December 31, 2007	
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	30 054	10 791	19 263	19 835
Equipment and tool	21 334	10 477	10 857	11 429
	51 388	21 268	30 120	31 264

4. Marketable securities :

	March 31, 2008		December 31, 2007	
	Fair value	Cost	Fair Value	Cost
	\$	\$	\$	\$
90,000 shares of Strateco Resources Inc.	193 500	35 100	266 500	35 100
225,466 common shares of Gastem Inc., representing 2.5% of the shares issued	135 280	24 946	153 317	24 946
49,202 shares of Cadiscor Resources Inc.	26 077		25 093	
	302 703	60 046	444 910	60 046

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

5. Mining properties and deferred exploration costs:

	March 31, 2008		December 31, 2007	
	Properties	Deferred exploration costs	Properties	Deferred exploration costs
	\$	\$	\$	\$
Otish Mountain	216 121	3 815 891	213 033	3 7 50 731
Beartooth		1 565 226		806 723
Cree Lake	1 220 000	762 570	1 220 000	437 153
Hemmingford	569		569	
	1 436 690	6 143 687	1 433 602	4 994 607

a) Otish Mountain property (Beaver Lake, Matoush, Tichégami, Franks et Eastmain) :

The Company holds a 95% interest in the diamond properties Beaver Lake, Beaver Lake South, a 49 % interest in the Matoush property, as well a 100% interest in the diamond property of Eastmain and Tichégami.

Matoush property:

Ditem also holds a 2 % net smelter return royalty.

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) Cree Lake property :

The Company holds a 100 % interest in the Cree Lake property, subject to a net smelter return of 2 %.

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Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

6. Share capital:

Authorized :

An unlimited number of common shares without par value.

	March 31, 2008	December, 31 2007
Issued :	\$	\$
45,253,085 common shares (45,008,085 - 2007)	16 693 302	16 616 852
Issuance during the period:	March 31, 2008	December 31, 2007
	\$	\$
For cash:		
nil shares (6,731,000 shares in 2007) pursuant to a private placements		4 750 150
245,000 shares (3,616,580 shares in 2007) pursuant to exercise of warrants	76 450	1 219 353
nil shares (285,000 in 2007) pursuant to exercise of stock options		346 929
In exchange for services :		
nil shares (423,100 shares in 2007)		234 820
	76 450	6 551 252

Weighted average number of shares outstanding

during the period

45,253,085

41,548,636

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

6. Share capital (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 :

- 554,776 shares at \$0.15 until April 5, 2008
- 348,250 shares at \$0.35 until December 11, 2008
- 67,500 shares at \$0.48 until October 6, 2008
- 1,299,999 shares at \$0.60 until December 12, 2008
- 211,550 shares at \$0.75 until January 26, 2009(i)
- 2,115,500 shares at \$0.75 until January 26, 2009
- 250,000 shares at \$0.80 until October 18, 2009 (i)

- (i) The Company accounted for its compensation warrants issued during the year (966,666 shares 2007) by using the Black-Scholes pricing model. At the date of the grant, the weighted average fair value of warrants granted was \$0.5073 per warrant for a total value of \$234 160.

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Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

7. Stock option plan:

As at March 31, 2008, 4,441,744 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 :

	03-31-08	Average exercisable price	12-31-07	Average exercisable price
		\$		\$
Balance, beginning of period	2,825,000	0.81	400,000	0.59
Issued	25,000	0.56	2,710,000	0.83
Cancelled				
Exercised			(285,000)	0.67
Balance, end of period	2,850,000	0.81	2,825,000	0.81
Exercisable options, end of year	1 591 744	0.86	1,060,000	0.86

As of March 31, 2008, 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 February 9, 2012

1,200,000 shares at \$0.67 until December 20, 2012

25,000 shares at \$0.56 until January 28, 2013

During the three-month period March 31, 2008, the Company granted 25,000 stock options at a price of \$0.56 per share. These options may be exercised on a cumulative basis over a period of 18 months. The fair value of each option granted was determined using the Black-Scholes option pricing model. At the date of the grant, the weighted average fair value of stock options granted was \$0.552 per option. The following weighted average assumptions were used in these calculations:

Risk-free interest rate	3.1% to 3.25%
Expected life	2 years
Expected volatility	146 to 152 %
Expected dividend yield	0%

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

7. Stock option plan (continued):

	March 31, 2008	December, 31 2007
	\$	\$
Balance, beginning the period	932 315	463 967
Stock-based compensation		570 825
Cost of compensation warrants		234 160
Cost of options and warrants exercised		(336 637)
Balance, end the period	932 315	932 315

8. Income tax:

Income tax expenses (recovery) differs from the amounts computed by applied the combined federal and provincial income tax rate at 32.02% as a result of the following:

	December, 31 2007
	\$
Loss before taxes	(1 114 281)

Computed "expected" tax recovery	(356 792)
Increase in income taxes resulting from:	
Stock-based compensation non deductible	182 778
Valuation allowance	174 014
<hr/>	
Total income tax expenses	-
<hr/>	

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Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

8. Income tax (continued):

The income tax effect of temporary difference that give rise to future tax assets and liabilities is as follows:

	December 31, 2007
	\$
Future tax assets:	
Operating loss carry forwards	517 000
Share issue expenses	168 000
Deferred exploration expenditures	-
	<hr/> 685 000
Variation allowance	(685 000)
	<hr/> -
Future tax liabilities:	
Deferred exploration expenditures	(582 000)
Net future tax	<hr/> (582 000) <hr/>

As at March 31, 2008, the Company has tax losses of approximately \$1 922 000 available to apply against future taxable income as follows:

Expiry date	Amount
	\$
2009	468 000
2014	221 000
2015	187 000
2026	279 000
2027	767 000

The Company also has Canadian exploration expenditures of approximately \$4 824 000 which may be deducted from future taxable income.

The future tax benefit resulting from these items was not recorded.

DITEM EXPLORATIONS

Notes to Financial Statements

March 31, 2008 and December 31, 2007

(Unaudited)

9. Related party transactions:

During the three-month period ended March 31, 2008, 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 \$7 236. These transactions were recorded at the exchange amount.

A loan of \$348,931 was made to a director and was repaid with interest.

10. Financial instruments:

a) 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.

b) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions. Cash equivalents consist of bank deposits.

