

**NEWMAC RESOURCES INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2008 and 2007**

**(Unaudited)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

These financial statements have been prepared by management of the Company. We have compiled the interim consolidated balance sheet of Newmac Resources Inc. as at March 31, 2008 and the interim consolidated statements of loss and deficit and cash flows for the three months then ended.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**NEWMAC RESOURCES INC.  
BALANCE SHEETS**

	<b>March 31, 2008 (Unaudited)</b>	September 30, 2007 (Audited)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 132,085	\$ 52,948
Short term investments	5,439,000	703,529
Taxes recoverable and other	144,537	45,510
Prepaid expenses and deposits	106,450	21,374
	5,822,072	823,361
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	<b>887</b>	<b>1,718</b>
<b>MINERAL PROPERTIES (Note 3)</b>	<b>6,243,238</b>	<b>3,555,256</b>
<b>RECLAMATION DEPOSIT</b>	<b>18,500</b>	<b>18,500</b>
	\$ 12,084,697	\$ 4,398,835

<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 409,768	\$ 171,892
Due to related parties (Note 5)	1,517	5,291
	411,285	177,183

<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL (Note 6)</b>	<b>12,213,272</b>	<b>4,580,605</b>
<b>CONTRIBUTED SURPLUS</b>	<b>1,141,337</b>	<b>826,381</b>
<b>SHARE SUBSCRIPTIONS RECEIVED</b>	<b>-</b>	<b>-</b>
<b>DEFICIT</b>	<b>(1,681,197)</b>	<b>(1,185,334)</b>
	11,673,412	4,221,652
	\$ 12,084,697	\$ 4,398,835

Nature and continuance of operations (Note 1)  
Subsequent events (Note 8)

*Approved on behalf of the Board:*

*"David Hjerpe"*

David Hjerpe, Director

*"J. William Morton"*

J. William Morton, Director

The accompanying notes are an integral part of these financial statements

**NEWMAC RESOURCES INC.**  
**STATEMENTS OF LOSS AND DEFICIT**  
*(Unaudited)*

	<b>For the three months ended March 31, 2008</b>	For the three months ended March 31, 2007	<b>For the six months ended March 31, 2008</b>	For the six months ended March 31, 2007
<b>EXPENSES</b>				
Amortization	\$ 415	\$ 415	\$ 831	\$ 831
Foreign exchange loss	-	-	(1,873)	(3)
Investor relations	44,231	16,475	95,986	16,813
Management fees	50,000	15,000	85,000	30,000
Office and general	6,482	1,724	8,987	3,265
Professional fees	15,331	11,951	44,395	18,305
Rent	1,500	1,500	3,000	3,000
Stock based compensation	67,375	11,963	158,875	11,963
Transfer agent, listing, and filing fees	33,754	15,586	72,627	38,449
Travel and promotion	14,182	1,100	31,072	18,144
<b>LOSS BEFORE THE FOLLOWING</b>	<b>233,270</b>	75,714	<b>498,900</b>	140,767
Interest income	(72)	(2,658)	(3,037)	(2,714)
<b>LOSS BEFORE INCOME TAX PROVISION</b>	<b>233,198</b>	73,056	<b>495,863</b>	138,053
Recovery of future income tax asset	-	-	-	-
<b>NET (INCOME) LOSS FOR THE PERIOD</b>	<b>233,198</b>	73,056	<b>495,863</b>	138,053
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>1,447,999</b>	1,044,806	<b>1,185,334</b>	979,809
<b>DEFICIT, END OF PERIOD</b>	<b>\$ 1,681,197</b>	\$ 1,117,862	<b>\$ 1,681,197</b>	\$ 1,117,862
<b>EARNINGS (LOSS) PER SHARE – Basic</b>	<b>\$ (0.01)</b>	\$ (0.01)	<b>\$ (0.02)</b>	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>	<b>20,149,207</b>	12,457,605	<b>20,149,207</b>	12,457,605

The accompanying notes are an integral part of these financial statements

**NEWMAC RESOURCES INC.**  
**STATEMENTS OF CASH FLOWS**  
*(Unaudited)*

	<b>For the three months ended March 31, 2008</b>	For the three months ended March 31, 2007	<b>For the six months ended March 31, 2008</b>	For the six months ended March 31, 2007
<b>CASH FLOWS PROVIDED BY (USED FOR):</b>				
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	\$ (233,198)	\$ (73,056)	\$ (495,863)	\$ (138,053)
Less: items not affecting cash				
Amortization	415	415	831	831
Stock based compensation	67,375	11,963	158,875	11,963
Recovery of future income tax asset	-	-	-	-
Net changes in non-cash working capital items:				
Short term investments	(1,400,000)	-	(4,735,471)	-
Taxes recoverable	(96,457)	(8,779)	(99,027)	(21,082)
Prepaid expenses and deposits	(69,270)	(6,268)	(85,075)	(2,232)
Accounts payable and accrued liabilities	242,625	163,183	234,102	198,717
Due to related parties	-	-	-	(263)
	<b>(1,488,510)</b>	87,458	<b>(5,021,628)</b>	49,881
<b>INVESTING ACTIVITIES</b>				
Reclamation bond	-	-	-	-
Acquisition of property and equipment	-	-	-	-
Mineral property acquisition and exploration costs, net of \$nil in stock based payments (2006 - \$49,380)	(1,791,559)	(446,593)	(2,623,982)	(677,924)
	<b>(1,791,559)</b>	(446,593)	<b>(2,623,982)</b>	(677,924)
<b>FINANCING ACTIVITIES</b>				
Issue of common shares	2,648,935	20,000	7,900,246	807,029
Share subscriptions	-	(20,000)	-	(140,452)
Share issue costs	(36,380)	-	(175,499)	(37,500)
Special Warrant proceeds received	-	-	-	-
	<b>2,612,555</b>	-	<b>7,724,747</b>	629,077
<b>INCREASE (DECREASE) IN CASH</b>	<b>(653,544)</b>	(359,135)	<b>79,137</b>	1,034
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>799,599</b>	472,825	<b>52,948</b>	112,656
<b>CASH, END OF THE PERIOD</b>	<b>\$ 132,085</b>	\$ 113,690	<b>\$ 132,085</b>	\$ 113,690
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES</b>				
Common shares allotted for acquisition of mineral property	\$ 14,000	\$ -	\$ 64,000	\$ 10,000
Common shares issued for Agent's fees	\$ -	\$ -	\$ 80,799	\$ 10,000
Common shares issued for Debt	\$ -	\$ -	\$ -	\$ 20,000
<b>SUPPLEMENTAL DISCLOSURE</b>				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these interim financial statements

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

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**NOTE 1 – NATURE AND CONTINUANCE OF OPERATIONS**

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The Company was incorporated on August 20, 2003 under the Company Act of British Columbia, and is involved in the acquisition, exploration and development of mineral properties located in British Columbia, Canada. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery and exploitation of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared using Canadian generally accepted accounting principals on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses of \$1,681,197 since inception. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying value. The continuation of the Company as a going concern is dependant on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations or positive cash flows. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company intends to raise capital to finance operations through offerings of common stock through private placements of which directors and officers may participate. Anticipated expenses in the next year consist of funding exploration activities and drilling programs on the Company's four mineral properties.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

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**Estimates, Assumptions and Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian 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 period. Significant areas requiring the use of management estimates and assumptions relate to the impairment of mineral property interests, the determination of reclamation obligations, calculation of stock-based compensation, common stock issued for non-cash consideration, and future income tax valuations. Actual results could differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**Financial Instruments**

The fair value of the Company's cash, short term investments, taxes recoverable and other, accounts payable and accrued liabilities, and due to related parties were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Management does not believe the Company is exposed to significant credit, currency, market or interest rate risks.

**Loss Per Share**

The loss per share figures are calculated using the weighted average number of common shares outstanding during the respective fiscal periods. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share purchase options and warrants are used to repurchase common shares at the average market price during the period. Diluted loss per share and weighted average number of common shares exclude all dilutive potential shares since their effect is anti-dilutive.

**Cash and cash equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. As at December 31, 2007 there were no cash equivalents.

**Short term investments**

Short term investments consist of several term deposits totaling \$5,439,000 maturing in December 2008, and bearing interest at 4.4% per annum. The Company has classified its short term investment as "held-for-trading."

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Mineral Properties**

The cost of mineral properties and related exploration and development costs are deferred until the properties are placed into production, sold or abandoned, or management has determined there has been an impairment in value. These costs will be amortized over the useful life of the properties following the commencement of commercial production or written off if the properties are sold, allowed to lapse, or abandoned. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. It is reasonably possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties and related deferred exploration costs could be written off. Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected title defects.

**Property and equipment**

The Company capitalizes costs to develop its website and amortizes property and equipment over their estimated useful lives as follows:

Computer hardware	Straight line method over a period of 3 years
Website	Straight line method over a period of 3 years

**Asset Retirement Obligation**

The Company accounts for asset retirement obligations and site rehabilitation costs in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook Section 3110 "Asset Retirement Obligations". Under this policy, the present value of future closure obligations is recorded as a liability when that liability is incurred with a corresponding increase in carrying value of the related mining property assets. The increased carrying value of the mining property asset will be amortized over the life of the related mining assets on a unit of production basis when the property comes into production. The liability for asset retirement obligations is accreted to the amount ultimately payable over the period to the date it is paid. As at March 31, 2008 the Company has not recognized any asset retirement obligations.

**Share Capital**

Proceeds from the sale of flow-through shares are credited to share capital. The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. Future income taxes related to temporary differences arising on renunciation of expenditures to subscribers are recognized as a reduction of income tax expense in the statement of loss and deficit on the date that the Company renounces the deductions for investors. During the year ended September 30, 2007, the Company recorded a recovery of future income tax of \$224,448 with respect to renounced flow-through shares totaling \$657,800. The Company recognizes all transactions in which goods or services are the consideration received for the issuance of equity instruments based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

**Income Taxes**

The Company accounts for income taxes using the asset and liability method, whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially 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 recognized in income in the period that includes the date of enactment or substantive enactment. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount. At September 30, 2007, the Company recognized a valuation allowance equal to the full amount of net future tax asset.

**Change in Accounting Policy**

On October 1, 2007, in accordance with the application transitional provisions, the Company adopted without restating prior periods, the new recommendations of the CICA Handbook included in Section 3855 "Financials Instruments – Recognition and Measurement", Section 3865, "Hedges", Section 1530 "Comprehensive Income" and Section 3861 "Financial Instruments – Disclosure and Presentation". Sections 3855 and 3861 deal with the classifications, recognition, measurement, presentation and disclosure of financial instruments and non-financial derivatives in the financial statements. Section 3865 deals with the standards for when and how hedge accounting may be applied, Section 1530 deals with the presentation of comprehensive income and Section 3251 deals with the presentation of equity and changes in equity for the period.

Adoption of these recommendations has the following impacts on the classification and measurement of the Company's financial instruments:

- Cash and cash equivalents and short term investments are classified as "held-for-trading". They are measured at fair value and changes in fair value are recognized in earnings.
- Accounts payable, accrued liabilities, and amounts due to related parties are classified as other financial liabilities and are measured at cost.

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**NOTE 3 - MINERAL PROPERTIES**

**NEWMAC Property, British Columbia**

By an agreement dated June 3, 2004, the Company acquired from its President, a 100% interest in six mineral claims known as the NEWMAC Property located in the Clinton Mining Division, British Columbia. Subsequently, work on the property resulted in several claims being dropped, and additional claims being staked. The Company issued 1,000,000 common shares which have been recorded at a deemed value of \$13,178, representing the President's out-of-pocket costs. The claims are subject to a net smelter returns royalty of 2.5% to a company with a common director. The Company has the option to purchase two-fifths of the royalty (1%NSR) for \$1,000,000.

**Crazy Fox Property, British Columbia**

The Company entered into an agreement on September 22, 2005 to acquire a 100% interest in the Crazy Fox Property, located 20 km northwest of Little Fort, British Columbia. The Company agreed to issue 200,000 common shares (150,000 shares issued) and make payments totaling \$100,000 (\$60,000 paid to date) over a 3-year period. An additional 200,000 shares will be issued to the vendors if and when a positive feasibility study is completed. A 3%NSR is reserved for the vendors of which 2% may be purchased at any time for \$2.0 million reducing the NSR to 1%. A 10% finders fee is payable with the transaction (50,000 shares of which 5,000 shares have been issued). On October 31, 2005 the Company issued 5,000 common shares at a deemed value of \$3,500 as a finders fee in relation to the acquisition of the Crazy Fox Property. The Company issued 50,000 common shares at a deemed value of \$35,000 on October 31, 2005 and 50,000 common shares at a deemed value of \$19,750 on September 14, 2006 in relation to the acquisition of the Crazy Fox Property. During the year ended September 2007, the Company paid \$30,000 and issued 50,000 shares at a deemed value of \$15,250.

**Chilanko Property, British Columbia**

The Company entered into an agreement on December 28, 2005 to acquire a 100% interest in the Chilanko Copper Property, located 170 km west of Williams Lake, British Columbia for \$20,000. The Company continues to expand the property and stake additional claims.

**Bluff Property, British Columbia**

The Company entered into an agreement on September 26, 2006 to acquire a 100% interest in the Bluff Property, located 175 km west of Williams Lake, British Columbia. To earn an initial 80% interest in the Bluff Property the Company must make payments totaling \$185,000 and issue vendors \$600,000 in value of common shares over a 5 year period. An initial \$10,000 in value of common shares was issued upon TSX Venture Exchange approval, payments are yearly from that point on for the duration of 5 years. An additional 20% interest in the property can be earned by paying an additional \$1,000,000. A finder's fee of 25,000 common shares was issued relating to this property. On October 31, 2007 63,492 shares were issued at a deemed value of \$20,000.

**Moira Property, British Columbia**

On November 20, 2007, the Company entered into an agreement to acquire a 100% interest, subject to a 2% NSR, in the Moira Molybdenum project, located 18 kilometers northwest of Clearwater, BC in consideration for \$5,000 (paid) and 50,000 common shares with a deemed value of \$0.60 per share (issued).

**Raft Property, British Columbia**

On November 20, 2007, the Company entered into an agreement to acquire a 100% interest, subject to a 2% NSR, in the Raft Molybdenum project, located 18 kilometers northeast of Clearwater, BC in consideration for \$5,000 (paid) and 50,000 common shares with a deemed value of \$0.68 per share (issued).

	Acquisition/ maintenance	Deferred exploration	March 31, 2008	September 30, 2007
<b>NEWMAC Property – British Columbia</b>				
Balance – beginning of year	\$ 17,886	\$ 523,045	\$ 540,931	\$ 531,107
Field supplies and rentals	-	-	-	6,194
Geological and field staff	-	-	-	3,350
Travel and accommodation	-	-	-	280
Costs for the year	-	-	-	9,824
Balance – end of year	\$ 17,886	\$ 523,045	\$ 540,931	\$ 540,931
<b>Crazy Fox Property – British Columbia</b>				
Balance – beginning of year	\$ 132,528	\$ 1,686,361	\$ 1,818,889	\$ 1,417,522
Cash paid for acquisition	-	-	-	30,000
Stock issuance for property	-	-	-	15,250
Administration	-	5,228	5,228	129
Aircraft and fuel	-	143,561	143,561	9,710
Assay and sampling	-	49,338	49,338	60,329
Drilling	-	1,601,341	1,601,341	163,418
Field supplies and rentals	-	65,154	65,154	21,847
Geological and field staff	-	237,436	237,436	58,581
Reports and maps	-	5,756	5,756	14,547
Travel and accommodation	-	136,600	136,600	27,556
Costs for the year	-	2,244,414	2,244,414	401,367
Balance – end of year	\$ 132,528	\$ 3,930,775	\$ 4,063,303	\$ 1,818,889

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**NOTE 3 - MINERAL PROPERTIES (Continued)**

	Acquisition/ maintenance	Deferred exploration	March 31, 2008	September 30, 2007
<b>Chilanko Property – British Columbia</b>				
Balance – beginning of year	\$ 24,373	\$ 629,452	\$ 653,825	\$ 25,485
Cash paid for acquisition	-	-	-	2,502
Administration	-	393	393	591
Aircraft and fuel	-	25,809	25,809	14,803
Assay and sampling	-	10,907	10,907	1,910
Drilling	-	70,740	70,740	120,886
Field supplies and rentals	-	75,934	75,934	96,803
Geological and field staff	-	140,620	140,620	254,619
Geophysical	-	-	-	4,770
Reports and maps	-	2,610	2,610	5,358
Road building	-	-	-	30,011
Travel and accommodation	-	37,250	37,250	96,087
Costs for the year	-	364,263	364,263	628,340
Balance – end of year	\$ 24,373	\$ 993,715	\$ 1,018,088	\$ 653,825
<b>Bluff Property – British Columbia</b>				
Balance – beginning of year	\$ 45,000	\$ 496,611	\$ 541,611	\$ -
Cash paid for acquisition	(5,000)	-	(5,000)	5,000
Stock issuance for property	-	-	-	40,000
Administration	-	80	80	83
Aircraft and fuel	-	-	-	6,474
Assay and sampling	-	198	198	529
Drilling	-	-	-	262,833
Field supplies and rentals	-	-	-	79,796
Geological and field staff	-	9,775	9,775	109,710
Reports and maps	-	-	-	5,372
Road building	-	-	-	657
Travel and accommodation	-	9	9	31,157
Costs for the year	(5,000)	10,062	5,062	541,611
Balance – end of year	\$ 40,000	\$ 506,673	\$ 546,673	\$ 541,611
<b>MOIRA Property – British Columbia</b>				
Balance – beginning of year	\$ -	\$ -	\$ -	\$ -
Cash paid for acquisition	5,000	-	5,000	-
Stock issuance for property	30,000	-	30,000	-
Reports and maps	-	162	162	-
Costs for the year	35,000	162	35,162	-
Balance – end of year	\$ 35,000	\$ 162	\$ 35,162	\$ -
<b>RAFT Property – British Columbia</b>				
Balance – beginning of year	\$ -	\$ -	\$ -	\$ -
Cash paid for acquisition	5,000	-	5,000	-
Stock issuance for property	34,000	-	34,000	-
Reports and maps	-	81	81	-
Costs for the year	39,000	81	39,081	-
Balance – end of year	\$ -	\$ 81	\$ 39,081	\$ -
<b>Summary for all Properties</b>				
Balance – beginning of year	\$ 219,787	\$ 3,335,469	\$ 3,555,256	\$ 1,974,114
Costs for the year	69,000	2,618,982	2,687,982	1,581,142
Balance – end of year	\$ 288,787	\$ 5,954,451	\$ 6,243,238	\$ 3,555,256

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**NOTE 4 – PROPERTY AND EQUIPMENT**

	Six months ended March 31, 2008			Year Ended September 30, 2007		
	Cost	Accumulated Amortization	Ending Balance	Cost	Accumulated Amortization	Ending Balance
Computer hardware	\$ 985	\$ 875	\$ 110	\$ 985	\$ 711	\$ 274
Website	4,000	3,223	777	4,000	2,556	1,444
	<b>\$ 4,985</b>	<b>\$ 4,098</b>	<b>\$ 887</b>	<b>\$ 4,985</b>	<b>\$ 3,267</b>	<b>\$ 1,718</b>

**NOTE 5 – RELATED PARTY TRANSACTIONS**

- a) The Company is indebted to the CEO and former President and a private company controlled by him in the amount of \$1,517 (2007 - \$nil). The Company is indebted to the newly appointed President in the amount of \$nil (2007 - \$nil) The Company is indebted to other related parties in the amount of \$nil (2007 - \$5,231), representing deferred exploration costs and management fees. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment. The Company incurred the following amounts to a relative of the President of the Company, directors of the Company, and private companies controlled by them, during the respective periods:

	Six months ended March 31, 2008	Year ended September 30, 2007
Acquisition costs	\$ -	\$ -
Deferred exploration	66,530	22,821
Transfer agent, filing, and investor relations	8,361	13,632
Management fees	85,000	106,000
Office and general	2,203	946
Travel and promotion	31,072	22,794
	<b>\$ 143,166</b>	<b>\$ 166,193</b>

- b) The Company acquired its interest in the NEWMAC mineral property from its President and issued 1,000,000 common shares to the President of the Company, as described in Note 3. The NSR royalty interest is held by a company with a common director.
- c)

**NOTE 6 - SHARE CAPITAL**

Authorized share capital consists of an unlimited number of common shares without par value.

	Shares	Value	Contributed Surplus
Issued at September 30, 2006	12,037,643	\$ 2,319,853	\$ 598,800
<i>Issued during the year:</i>			
- for acquisition of Bluff property at \$0.40 per share	25,000	10,000	-
- for services at \$0.40 per share issued for finder's fees	25,000	10,000	-
- for acquisition of Crazy Fox mineral property at \$0.30 per share	66,667	20,000	-
- for acquisition of Crazy Fox mineral property at \$0.305 per share	50,000	15,250	-
- for cash at \$0.50 per share, private placement	260,000	130,000	-
- for cash at \$0.35 per share, private placements	448,655	157,029	-
- for cash at \$0.40 per share, private placements	5,932,000	2,372,800	-
- for cash at \$0.43 per share, private placements	100,000	43,000	-
- recovery of future income tax asset	-	(224,448)	-
- share issuance costs	-	(272,879)	107,369
- stock based compensation	-	-	120,212
Issued at September 30, 2007	18,944,965	\$ 4,580,605	\$ 826,381

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**NOTE 6 - SHARE CAPITAL (Continued)**

	Shares	Value	Contributed Surplus
Issued at September 30, 2007	18,944,965	\$ 4,580,605	\$ 826,381
<i>Issued during the year:</i>			
- for acquisition of Bluff property at \$0.315 per share	63,492	20,000	-
- for cash at \$0.75 per share, FT private placement	2,666,664	1,999,998	-
- for cash at \$0.60 per share, private placement	833,333	500,000	-
- for services at \$0.60 per share issued for finder's fees	134,666	80,800	-
- for cash at \$0.39 per share, options exercised	50,000	26,188	(6,687)
- for cash at \$0.75 per share, FT private placement	1,000,000	750,000	-
- for cash at \$0.60 per share, private placement	415,000	249,000	-
- for cash at \$0.60 per share, private placement	1,438,331	862,999	-
- for cash at \$0.75 per share, FT private placement	180,000	135,000	-
- for cash at \$0.50 per share, warrants exercised	735,503	367,751	-
- for cash at \$0.60 per share, warrants exercised	585,938	351,563	-
- for cash at \$0.62 per share, warrants exercised	25,000	15,500	-
- for acquisition of Moira property at \$0.60 per share	50,000	30,000	-
- for cash at \$0.50 per share, warrants exercised	10,000	5,000	-
- for cash at \$0.60 per share, warrants exercised	264,550	158,730	-
- for cash at \$0.62 per share, warrants exercised	1,137	705	-
- for cash at \$0.39 per share, options exercised	50,000	26,188	(6,688)
- for cash at \$0.45 per share, options exercised	100,000	52,983	(7,983)
- for cash at \$0.80 per share, private placement	3,000,000	2,400,000	-
- for acquisition of Raft property at \$0.68 per share	50,000	34,000	-
- share issuance costs	-	(433,738)	177,439
- stock based compensation	-	-	91,500
Issued at March 31, 2008	30,598,579	\$ 12,213,272	\$ 1,073,962

**For the year ended September 30, 2007:**

On October 3, 2006 the Company completed a private placement to raise gross proceeds of \$130,000. Under the terms of the offering the Company sold 260,000 units at a price of \$0.50 per unit. Each unit consists of one common share and one non-transferable share purchase warrant to purchase an additional common share at a price of \$0.50 per share until September 29, 2007.

On October 31, 2006, the Company issued 25,000 common shares with a deemed value of \$10,000, and issued 25,000 shares as a finder's fee with a deemed value of \$10,000 in accordance with the Bluff property agreement.

On October 31, 2006, the Company settled \$20,000 of debt by issuing 66,667 shares at a deemed price of \$0.30 per share.

On December 7, 2006 the Company completed a private placement to raise gross proceeds of \$157,029. Under the terms of the offering the Company sold 208,000 flow-through units at a price of \$0.35 per unit and 240,655 non-flow-through units at a price of \$0.35 per unit. Each flow-through unit consists of one flow-through common share and one non-transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.50 per share until December 5, 2007. Each non flow-through unit consists of one non flow-through common share and one non-transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.50 per share until December 5, 2007.

On December 12, 2006 the Company completed a private placement to raise gross proceeds of \$500,000. Under the terms of the offering the Company sold 1,250,000 flow-through units at a price of \$0.40 per flow-through unit. Each flow-through unit consists of one flow-through common share and half a non-transferable share purchase warrant, with each full warrant entitling the holder to purchase one additional non flow-through common share, exercisable until December 11, 2007 at a price of \$0.60 per share. In relation with this placement, the Company also paid a finder's fee of \$37,500 and 125,000 finders' warrants which are exercisable until December 11, 2007 at a price of \$0.60 per share.

On January 8, 2007 the Company completed a private placement to raise gross proceeds of \$20,000. Under the terms of the offering the Company sold 50,000 flow-through units at a price of \$0.40 per unit. Each flow-through unit consists of one flow-through common share and half a non-transferable share purchase warrant, with each full warrant entitling the holder to purchase one additional non flow-through common share at a price of \$0.60 per share until January 8, 2008.

On April 20, 2007 the Company completed a non-brokered private placement to raise gross proceeds of \$43,000. Under the terms of the offering the Company issued 100,000 units at a price of \$0.43 per unit. Each unit consists of one common share and one non-transferable share purchase warrant to purchase an additional common share at a price of \$0.43 per share until April 13, 2009.

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

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**NOTE 6 - SHARE CAPITAL (Continued)**

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On May 28, 2007 the Company completed a non-brokered private placement to raise gross proceeds of \$150,000. Under the terms of the offering the Company issued 375,000 flow-through units at a price of \$0.40 per unit. Each flow-through unit consists of one flow-through common share and half a non-transferable share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through common share at a price of \$0.60 per share until May 18, 2008.

On June 6, 2007 the Company completed the first tranche of a non-brokered private placement to raise gross proceeds of \$1,000,000. Under the terms of the offering the Company issued 1,250,000 flow-through units at a price of \$0.40 per unit for gross proceeds of \$500,000. Each flow-through unit consists of one flow-through common share and half a transferable share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through common share at a price of \$0.60 per share, exercisable until June 4, 2008. In connection with this private placement, the Company paid a finder's fee of \$37,500 and issued 125,000 finders' warrants, which are exercisable until June 4, 2008 at a price of \$0.60 per share.

On August 1, 2007 the Company completed a private placement to raise gross proceeds of \$702,800 with certain places. Under the terms of the offering the Company issued 702,500 flow-through units and 1,054,500 non-flow-through units at a price of \$0.40 per unit. Each flow-through unit consists of one flow-through common share and half a transferable share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through common share at a price of \$0.60 per share, exercisable until August 1, 2008. Each non-flow-through unit consists of one non flow-through common share and one transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.50 per share, exercisable until August 1, 2008. Proceeds from the non FT unit private placement will be used for general working capital purposes. The Company paid a finder's fee of \$52,710 and issued 175,700 finders' warrants, which are exercisable for one year at a price of \$0.60 per share.

On August 2, 2007 the Company completed the second tranche of a non-brokered private placement to raise gross proceeds of \$1,000,000. Under the terms of the offering the Company issued 1,250,000 flow-through units at a price of \$0.40 per unit for gross proceeds of \$500,000. Each flow-through unit consists of one flow-through common share and half a transferable share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through common share at a price of \$0.60 per share, exercisable until August 1, 2008. In connection with this private placement, the Company has paid a finder's fee of \$37,800 and issued 125,000 finders' warrants, which are exercisable until August 1, 2008 at a price of \$0.60 per share.

On September 17, 2007 the Company issued 50,000 shares at a deemed price of \$0.305 in accordance with the Crazy Fox property agreement.

**For the six months ended March 31, 2008:**

On October 31, 2007, the Company issued 63,492 shares in accordance with the Bluff Property option agreement. These shares were issued at a deemed price of \$0.315 per share.

On November 13, 2007, the Company granted 200,000 stock options to consultants at the exercise price of \$0.50 per share, expiring November 13, 2012.

On December 4, 2007, the Company granted 50,000 stock options to a consultant at an exercise price of \$0.59 per share, expiring December 4, 2012.

On December 13, 2007, the Company issued 50,000 shares pursuant to the exercise of stock options at a price of \$0.39 per share for proceeds of \$19,500.

On December 13, 2007 the Company closed a private placement to raise gross proceeds of \$2,500,000 and issued 3,634,663 units, consisting of 2,666,664 flow-through units at a price of \$0.75 per unit and 833,333 non flow-through units at a price of \$0.60 per unit. Each flow-through unit consists of one flow-through share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through share at a price of \$1.00 per share, exercisable until December 14, 2008. Each non flow-through unit consists of one non flow-through share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through share at a price of \$0.80 per share, exercisable until December 14, 2008. In connection with the private placement, the Company issued 134,666 shares and 269,333 agent's options. Each agent's option entitles the holder to purchase one unit at a price of \$0.60 per unit for a period of one year. Each unit consists of one non-flow-through common share and one-half of one non flow-through common share purchase warrant exercisable at \$0.80 per share until December 14, 2008.

On December 20, 2007 the Company closed a private placement to raise gross proceeds of \$999,000 and issued 1,415,000 units, consisting of 1,000,000 flow-through units at a price of \$0.75 per unit and 415,000 non flow-through units at a price of \$0.60 per unit. Each flow-through unit consists of one flow-through share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through share at a price of \$1.00 per share, exercisable until December 19, 2008. Each non flow-through unit consists of one non-flow-through share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through share at a price of \$0.80 per share, exercisable until December 19, 2008. In connection with the private placement the Company paid \$27,990 and issued 80,000 agent's options. Each agent's option entitles the holder to purchase one unit at a price of \$0.60 per unit. Each unit consists of one non flow-through common share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through common share at a price of \$0.80 per share, exercisable until December 14, 2008.

**NEWMAC RESOURCES INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2008**

**NOTE 6 - SHARE CAPITAL (Continued)**

On December 24, 2007, the Company granted 200,000 stock options to the President of the Company at an exercise price of \$1.30 per share, expiring December 24, 2012.

On December 27, 2007 the Company closed a private placement to raise gross proceeds of \$998,000 and issued 1,618,331 Units, consisting of 180,000 flow-through units at a price of \$0.75 per unit and 1,438,331 non flow-through units at a price of \$0.60 per unit. Each flow-through unit consists of one flow-through share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through share at a price of \$1.00 per share, exercisable until December 24, 2008. Each non flow-through unit consists of one non-flow-through share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow-through share at a price of \$0.60 per share, exercisable until December 24, 2008. In connection with the private placement the Company paid \$30,140 and issued 98,266 agent's options. Each agent's option entitles the holder to purchase one unit at a price of \$0.60 per unit. Each unit consists of one non-flow-through common share and one-half of a share purchase warrant, with each full warrant entitling the holder to purchase an additional non flow through common share at a price of \$0.80 per share, exercisable until December 24, 2008.

During the three months ended March 31, 2008, 1,137 warrants were exercised at a price of \$0.62 per share for proceeds of \$705; 264,550 warrants were exercised at a price of \$0.60 per share for proceeds of \$158,730; 10,000 warrants were exercised at a price of \$0.50 per share for proceeds of \$5,000; 100,000 stock options were exercised at a price of \$0.45 for proceeds of \$45,000; and 50,000 stock options were exercised at a price of \$0.39 per share for proceeds of \$19,500.

On February 4, 2008, the Company issued 50,000 shares in accordance with the Raft Property option agreement. These shares were issued at a deemed price of \$0.68 per share.

On February 29, 2008 the Company granted 150,000 stock options to a Consultant of the Company at an exercise price of \$0.80 per share, expiring on February 28, 2013. These stock options are subject to the company's stock option plan and have a four month hold period.

On February 29, 2008 the Company announced that it has extended the Investor Relations Contract with Coal Harbor Communications Inc. Coal Harbor will continue to receive a fee of \$6,000 per month. In addition, Coal Harbor has been granted 200,000 options at \$0.80 per share with an expiry date of February 28, 2013.

On March 18, 2008 the Company closed a non-brokered private placement to raise gross proceeds of \$2,400,000 and issued 3,000,000 units at \$0.80 per unit. Each unit consists of one common share and one-half of a share purchase warrant, with each warrant entitling the holder to purchase one additional common share for \$1.00 per share, exercisable until March 18, 2009.

At March 31, 2008, 637,501 shares (2007 – 1,275,202 shares) are held in escrow, which are governed by the provision of the Canadian Securities Regulators National Policy 46-201 as to the restrictions imposed on the escrow shares. Pursuant to the policy, the escrow shares will be released pro rata to the holders as to 10% thereof of the original amount on the date of listing of the Company's shares on the TSX Venture Exchange, and a further 15% on each of the dates 6, 12, 18, 24, 30 and 36 months following the initial release. During the twelve months ended September 30, 2007, 1,274,800 shares were released from escrow.

**Share Purchase Warrants**

The continuity of share purchase warrants during the year ended March 31, 2008 is as follows:

Expiry dates	Exercise price	Outstanding as of September 30, 2007	Issued	Exercised	Expired	Outstanding as of March 31, 2008
December 5, 2007	\$0.50	448,655	-	415,503	33,152	-
December 11, 2007	\$0.60	750,000	-	499,688	250,312	-
January 8, 2008	\$0.60	25,000	-	25,000	-	-
January 25, 2008	\$0.62	143,372	-	26,137	117,235	-
May 18, 2008	\$0.60	187,500	-	-	-	187,500
June 4, 2008	\$0.60	750,000	-	156,250	-	593,750
July 25, 2008	\$0.50	379,773	-	-	-	379,773
August 1, 2008	\$0.50	1,054,500	-	330,000	-	724,500
August 1, 2008	\$0.60	1,276,950	-	169,550	-	1,107,400
April 13, 2009	\$0.43	100,000	-	-	-	100,000
December 14, 2008	\$1.00	-	1,333,332	-	-	1,333,332
December 14, 2008	\$0.80	-	416,667	-	-	416,667
December 19, 2008	\$1.00	-	500,000	-	-	500,000
December 19, 2008	\$0.80	-	207,500	-	-	207,500
December 24, 2008	\$1.00	-	90,000	-	-	90,000
December 24, 2008	\$0.60	-	719,166	-	-	719,166
March 18, 2009	\$1.00	-	1,500,000	-	-	1,500,000
		5,115,750	4,766,665	1,622,128	400,699	7,859,588

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**NOTE 6 - SHARE CAPITAL (Continued)**

During the six months ended March 31, 2008, 745,503 warrants have been exercised at a price of \$0.50 per share for proceeds of \$372,752; 862,988 warrants have been exercised at a price of \$0.60 per share for proceeds of \$517,793; and 26,137 warrants have been exercised at a price of \$0.62 per share for proceeds of \$16,205.

**Agent's Warrants**

Expiry dates	Exercise price	Outstanding as of September 30, 2007	Issued	Exercised	Expired	Outstanding as of March 31, 2008
December 14, 2008	\$0.80		134,667			134,667
December 19, 2008	\$0.80		40,000			40,000
December 24, 2008	\$0.80		49,133	-	-	49,133
		-	223,800	-	-	223,800

During the six months ended March 31, 2008, 223,800 warrants issued to agents as finders fees in relation to the private placements. The Company used the Black Scholes pricing model to estimate the fair value of the options at the grant date of \$177,439 using the following weighted average assumptions:

Weighted average assumptions used in the option pricing model are as follows:

	<b>2007</b>
Risk-free interest rate	4.46%
Expected life	1.00 year
Expected volatility	174%
Expected dividends	Nil

**Share Purchase Options**

Effective February 19, 2007, the Company has adopted a fixed number stock option plan (the "Plan") which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with TSX Venture Exchange requirements, grant to directors, officers, employees and consultants, non-transferable options to purchase shares, provided that the number of shares reserved for issuance shall not exceed 20% of the Company's issued and outstanding shares as at the date of shareholder approval (equivalent to 2,832,593 shares). The Plan was established to assist the Company in attracting, retaining and motivating directors, officer, employees and consultants of the Company. Options may be exercised for a period of up to 5 years from the date of grant at a price not less than the Discounted Market Price on the day of grant. In connection with the foregoing, the number of shares reserved for issuance to: (a) any one individual shall not exceed five percent (5%) of the Company's issued and outstanding shares in any 12 month period; (b) any one consultant shall not exceed two percent (2%) of the Company's issued and outstanding shares in any 12 month period; and (c) all employees conducting investor relations activities shall not exceed two percent (2%) of the Company's issued and outstanding shares in any 12 month period. Options immediately expire upon cessation of the optionee's position with the Company, unless extended by the board of directors for a period of up to 30 days, subject to expiry dates of such options, provided that if the cessation of the optionee's position was by reason of death, the option may be exercised within a maximum period of six months after such death, subject to the expiry date of such options. The Plan provides for vesting provisions as to 25% upon grant; 25% six months after grant; 25% twelve months after grant; and 25% eighteen months after grant.

The continuity of share purchase options is as follows:

	<b>Six months ended March 31, 2008</b>		<b>Year Ended September 30, 2007</b>	
	Number of shares	Average Price	Number of shares	Average Price
Options outstanding, beginning of year	2,180,000	\$ 0.41	1,130,000	\$ 0.36
Granted	800,000	0.84	1,000,000	0.48
Exercised	200,000	0.42	-	-
Expired/cancelled	-	-	(100,000)	0.54
Options outstanding, end of period	2,780,000	0.53	2,030,000	0.41
Exercisable, end of year			1,480,000	0.37
Average contractual remaining life (years)		3.88		3.32

**NEWMAC RESOURCES INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**NOTE 6 - SHARE CAPITAL (Continued)**

Outstanding share purchase options as of March 31, 2008

	Expiry Date	Exercise Price \$	Outstanding	Exercisable
Share Purchase Options	February 1, 2008	0.39	50,000	50,000
	February 12, 2008	0.45	100,000	100,000
	February 8, 2008	0.50	150,000	150,000
	October 3, 2010	0.25	600,000	600,000
	October 3, 2010	0.50	200,000	200,000
	February 14, 2011	0.54	80,000	80,000
	June 19, 2012	0.50	800,000	400,000
	November 13, 2012	0.50	200,000	50,000
	December 4, 2012	0.59	50,000	12,500
	December 24, 2012	1.30	200,000	50,000
	February 29, 2013	0.80	150,000	37,500
	February 29, 2013	0.80	200,000	50,000
			2,780,000	1,780,000

The fair value of the options granted is estimated using the Black-Scholes option pricing model. During the six months ended March 31, 2008, \$158,875 was charged to stock based compensation (2007 - \$120,212)

Weighted average assumptions used in the option pricing model are as follows:

	2008	2007
Risk-free interest rate	4.46%	4.56%
Expected life	3.01 years	3.58 years
Expected volatility	170%	130%
Expected dividends	Nil	Nil

**NOTE 7 – INCOME TAXES**

The Company has non-capital losses for Canadian income tax purposes of approximately \$3,400,000 (September 30, 2007 - \$2,942,000), which may be used to reduce future taxable income in Canada, expiring between 2010 and 2028. The Company has unclaimed exploration and development expenditures of approximately \$nil (September 30, 2007 - \$831,000) which can be deducted for income tax purposes in Canada in future years at the Company's discretion.

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period. A valuation allowance has been provided against all net future tax assets, as realization of such net assets is uncertain.

**NOTE 8 – SUBSEQUENT EVENTS**

On April 4, 2008 4,000 stock options were exercised at a price of \$0.50 for proceeds of \$2,000.

On April 29, 2008 the Company announced that it has purchased a fishing lodge on the Company's Crazy Fox Molybdenum Project located 100 km North of Kamloops, British Columbia. The Company negotiated a purchase price of \$835,000, which the Company believes to be fair market value, and will allow for the property to be explored year round. A deposit of \$100,000 was paid in February 2008.

On May 9, 2008 62,500 warrants were exercised at \$0.60 per share for proceeds of \$37,500.