



## **Interim Unaudited Consolidated Financial Statements**

Six months ended June 30, 2007 and 2006

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**NOTICE THAT THESE CONSOLIDATED FINANCIAL STATEMENTS  
HAVE NOT BEEN REVIEWED BY AN AUDITOR**

**EXMIN RESOURCES INC. (the “Issuer”)**

**Interim Consolidated Financial Statements for the period ended June 30, 2007**

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 accompanying interim unaudited consolidated financial statements of the Issuer have been prepared by and are the responsibility's of the Issuer's management.

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

# Exmin Resources Inc.

## Consolidated Balance Sheets

(Unaudited, prepared by management)  
(Expressed in Canadian Dollars)

	June 30 2007 (Unaudited) \$	December 31 2006 (Audited) \$
<b>ASSETS</b>		
CURRENT		
Cash	294,027	505,459
Receivables	169,394	89,125
Prepaid expenses	34,404	47,947
Marketable securities (note 4(f))	50,000	50,000
	<b>547,825</b>	<b>692,531</b>
Prepaid exploration	-	117,346
Property, plant and equipment (note 3)	196,038	1,840,254
Mineral properties (note 4)	4,563,397	4,887,246
Investment in Minas Santa María de Moris SA de CV (note 4a)	4,960,332	-
	<b>9,719,767</b>	<b>6,844,846</b>
	<b>10,267,592</b>	<b>7,537,377</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	270,127	150,793
LONG TERM		
Loan payable (note 5)	1,705,425	906,539
Asset retirement obligation (note 6)	462,113	485,296
	<b>2,437,665</b>	<b>1,542,628</b>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (note 7)		
Capital stock	15,523,837	12,502,544
Contributed surplus	1,639,189	1,725,729
<b>DEFICIT</b>	<b>(9,333,099)</b>	<b>(8,233,524)</b>
	<b>7,829,927</b>	<b>5,994,749</b>
	<b>10,267,592</b>	<b>7,537,377</b>

**Nature and continuance of operations (note 1)**  
**Subsequent events (note 12)**

APPROVED BY THE DIRECTORS

"Kelsey Boltz"  
Director

"John Campbell"  
Director

*The accompanying notes are an integral part of these consolidated financial statements*

# Exmin Resources Inc.

## Consolidated Statements of Operations and Deficit

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Six months ended June 30		Three months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>EXPENSES</b>				
Amortization	43,016	9,957	21,392	5,242
Automobile	8,846	7,852	2,563	3,496
Bank charges	58,067	2,553	41,002	1,344
Consulting	170,469	185,206	59,941	87,972
Directors' fees	5,000	12,000	5,000	-
Filing fees	30,867	18,102	15,886	10,287
Foreign exchange loss (gain)	(351,121)	23,467	(328,108)	20,804
Investor relations	65,080	45,519	39,171	18,103
Office and miscellaneous	203,546	83,319	105,837	56,878
Professional fees	171,613	139,623	76,442	71,935
Property examination cost	207,596	113,117	91,645	88,911
Stock-based compensation	128,801	31,476	54,406	28,851
Travel	21,686	27,861	14,199	8,441
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(763,466)</b>	<b>(700,052)</b>	<b>(199,376)</b>	<b>(402,264)</b>
<b>OTHER ITEMS</b>				
Participation in Minas Santa María de Moris SA de CV (note 4a)	(352,370)	-	(352,370)	-
Interest income	16,261	10,609	5,607	9,595
<b>LOSS FOR THE PERIOD</b>	<b>(1,099,575)</b>	<b>(689,443)</b>	<b>(546,139)</b>	<b>(392,669)</b>
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(8,233,524)</b>	<b>(5,483,615)</b>	<b>(8,786,960)</b>	<b>(5,780,389)</b>
<b>DEFICIT, END OF PERIOD</b>	<b>(9,333,099)</b>	<b>(6,173,058)</b>	<b>(9,333,099)</b>	<b>(6,173,058)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average common shares outstanding</b>	<b>75,940,537</b>	<b>52,878,560</b>	<b>77,278,350</b>	<b>58,897,344</b>

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

# Exmin Resources Inc.

## Consolidated Statements of Cash Flows

(Unaudited, prepared by management)  
(Expressed in Canadian Dollars)

	Six months ended June 30		Three months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Loss for the period	(1,099,575)	(689,443)	(546,139)	(392,669)
Adjustments:				
Amortization and accretion	43,016	9,957	21,392	5,242
Accrued interest on loan	49,099	-	33,702	-
Unrealized foreign exchange (gain) loss	(42,601)	-	(37,541)	-
Stock-based compensation	128,801	31,476	54,406	28,851
	(921,260)	(648,010)	(474,180)	(358,576)
Changes in non-cash working capital:				
Receivables	(80,269)	(30,697)	23,223	86,574
Prepaid expenses	13,543	57,573	(8,850)	(66,763)
Accounts payable and accrued liabilities	119,333	118,334	65,447	42,688
	(868,653)	(502,800)	(394,360)	(296,077)
<b>FINANCING ACTIVITIES</b>				
Payment on mineral property option agreement (Note 6b)	-	57,540	-	(8,206)
Loan payable	749,787	-	(100,548)	-
Issuance of capital stock	2,806,682	2,585,000	103,999	330,000
Share issuance costs	(730)	(291,114)	(150)	(767)
	3,555,739	2,351,426	3,301	321,027
<b>INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(56,682)	(37,790)	392,843	(33,369)
Acquisition and expenditures of mineral properties	(808,781)	(611,642)	624,980	(316,225)
Exploration advances	117,346	-	19,977	-
Transfer of property, plant and equipment (note 4a)	1,677,301	-	1,677,301	-
Transfer of mineral properties (note 4a)	1,132,630	-	1,132,630	-
Investment in Minas Santa María de Moris, S.A. de C.V. (note 4a)	(4,960,332)	-	(4,960,332)	-
	(2,898,518)	(649,432)	(1,112,601)	(349,594)
<b>LOSS ON FOREIGN EXCHANGE</b>				
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(211,432)</b>	<b>1,199,194</b>	<b>(1,503,660)</b>	<b>(324,644)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>505,459</b>	<b>283,122</b>	<b>1,797,687</b>	<b>1,806,960</b>
<b>CASH, END OF PERIOD</b>	<b>294,027</b>	<b>1,482,316</b>	<b>294,027</b>	<b>1,482,316</b>
<b>SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (note 8)</b>				
Income taxes paid in cash	-	-	-	-
Interest paid in cash	-	-	-	-

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

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act of Ontario, and was continued to the Province of British Columbia in 2005. The shares of the Company trade on the TSX Venture Exchange ("the Exchange").

The Company's principal business activity is the acquisition, exploration and development of mineral resource properties, with properties in Canada and Mexico. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and developing these properties. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete equity financings, or generate profitable operations in the future.

### 2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), by management from the records of the Company, and have not been reviewed by the auditor of the Company. The accounting policies followed by the Company are set out in Note 2 to the audited financial statements for the year ended December 31, 2006 and have been consistently followed in the preparation of these interim financial statements except that the Company has adopted the following CICA guideline effective for the Company's first quarter commencing January 1, 2007:

Section 3855 - Financial Instruments - Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value.

There is no material impact on these interim financial statements due to the adoption of this guideline.

These unaudited interim financial statements do not include all the information and note disclosure required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited financial statements. In the opinion of management, all adjustments (including normal recurring adjustments) necessary to present fairly the financial position at June 30, 2007 and the results of operations and cash flows for all periods presented have been made. The interim results are not necessarily indicative of results for a full year.

## EXMIN RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

#### 3. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2007			December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Moris mine equipment and installations	0	0	-	1,677,301	0	1,677,301
Vehicles	164,594	(41,020)	123,575	140,989	(39,763)	101,226
Computer equipment	47,777	(8,900)	38,878	37,959	(4,293)	33,666
Furniture and fixtures	36,071	(2,485)	33,586	30,101	(2,040)	28,061
<b>TOTAL</b>	<b>248,442</b>	<b>(52,404)</b>	<b>196,038</b>	<b>1,886,350</b>	<b>(46,096)</b>	<b>1,840,254</b>

The Company's share of the Moris mine equipment and installations were transferred to Minas Santa María de Moris, S.A: de C.V., a Mexican company owned 30% by the Company and 70% by a subsidiary of Hochschild Mining PLC (Note 4a)

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

### 4. MINERAL PROPERTIES

Projects	Moris mine	Reyna de Oro	Maguarichic	Moris	Urique	Arechuyvo	Oribo	Yoquivo	Batopilas	Jalisco	Melchor Ocampo	La Guitarra	Horcon	Pino Street Township	Total	
<b>Balance, December 31, 2005</b>	<b>\$ -</b>	<b>\$ 1,874,872</b>	<b>\$ 119,174</b>	<b>\$ 223,275</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 190,660</b>	<b>\$ 2,407,981</b>
Earn-in cost reduction	-	-	(74,995)	-	-	-	-	-	-	-	-	-	-	-	-	(74,995)
Acquisition costs	858,527	234,020	4,518	141,600	142,939	-	51,314	-	22,812	-	-	13,002	28,545	-	-	1,497,277
Claim legal rights	-	24,903	43,324	74,113	27,898	45,535	11,920	11,452	11,603	10,167	16,189	92	6,397	-	-	283,593
Consulting and professional	274,104	96,185	4,376	75,239	72,255	4,109	9,431	12,876	16,745	10,633	318	1,541	77	-	-	577,888
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment leasing	-	-	-	-	272	-	-	-	-	-	-	-	-	-	-	272
Equipment maintenance	-	2,291	-	-	360	-	-	-	-	-	-	9	-	-	-	2,660
Equipment	-	1,219	-	-	538	-	-	-	-	-	-	-	-	-	-	1,757
Field office	-	1,885	82	115	1,547	-	2	-	-	125	-	-	-	-	-	3,755
Fuel	-	2,876	-	878	1,753	-	134	-	-	-	-	131	-	-	-	5,773
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials and tools	-	6,182	22	720	1,780	11	73	-	-	506	-	-	-	-	-	9,294
Mineral sample analysis	-	13,826	-	605	9,303	-	886	-	-	16	-	-	-	-	-	24,636
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Traveling and camp meals	-	9,409	161	2,719	11,138	84	320	405	362	1,286	-	343	-	-	-	26,228
Infrastructure, roads, etc	-	66,942	-	3,123	-	-	-	-	-	-	-	-	-	-	-	70,065
Other	-	26,264	511	8,959	12,140	395	309	50	1,538	723	-	174	-	-	-	51,063
	<u>1,132,631</u>	<u>486,003</u>	<u>(22,003)</u>	<u>308,071</u>	<u>281,922</u>	<u>50,135</u>	<u>74,390</u>	<u>24,782</u>	<u>53,061</u>	<u>23,456</u>	<u>16,507</u>	<u>15,292</u>	<u>35,018</u>	<u>-</u>	<u>-</u>	<u>2,479,285</u>
<b>Balance, December 31, 2006</b>	<b>\$ 1,132,631</b>	<b>\$ 2,360,875</b>	<b>\$ 97,171</b>	<b>\$ 531,346</b>	<b>\$ 281,922</b>	<b>\$ 50,135</b>	<b>\$ 74,390</b>	<b>\$ 24,782</b>	<b>\$ 53,061</b>	<b>\$ 23,456</b>	<b>\$ 16,507</b>	<b>\$ 15,292</b>	<b>\$ 35,018</b>	<b>\$ -</b>	<b>\$ 190,660</b>	<b>\$ 4,887,246</b>
Transfer to MSMM	(1,132,631)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,132,631)
Earn-in cost reduction	-	-	(143,272)	(152,931)	(281,474)	-	-	-	-	-	-	-	-	-	10,000	(567,677)
Acquisition costs	-	287,837	2,241	141,145	111,494	-	28,250	-	17,092	-	-	11,367	27,895	23,153	-	650,474
Claim legal rights	-	16,182	27,866	16,020	15,904	17,304	791	-	5,739	12,642	2,365	579	3,168	103	-	118,663
Consulting and professional	1,262	12,239	-	12,518	117,744	48	16,445	364	6,917	-	24	570	11,923	518	-	180,571
Drilling	-	2	-	-	199	-	6,207	-	1,034	-	51	622	213,146	17,414	-	238,674
Equipment leasing	-	-	-	-	-	-	-	-	-	-	-	-	1,554	-	-	1,554
Equipment maintenance	-	645	-	-	1,831	-	724	-	-	-	-	-	172	-	-	3,373
Equipment	-	474	-	3	974	-	359	-	354	-	169	-	6,758	77	-	9,169
Field office	752	6,888	-	1,476	7,558	0	6,736	-	20	-	77	-	7,606	3,551	-	34,665
Fuel	86	1,075	-	63	4,553	-	1,413	-	368	-	272	-	1,231	565	-	9,625
Insurance	-	-	-	-	499	-	905	-	-	-	-	-	-	-	-	1,404
Materials and tools	101	725	-	325	2,058	-	260	-	468	-	830	-	7,728	424	-	12,921
Mineral sample analysis	-	979	-	-	20,727	-	1,074	-	675	-	-	-	1,729	560	-	25,745
Taxes	-	6,217	-	-	-	-	-	-	-	-	-	-	-	-	-	6,217
Traveling and camp meals	4,169	3,206	-	693	13,272	-	3,583	-	1,171	-	764	-	7,287	1,078	-	35,222
Infrastructure, roads, etc	-	2,883	-	-	-	-	-	-	-	-	-	-	321	-	-	3,204
Other	735	5,823	-	870	20,476	78	3,367	-	840	-	250	-	10,663	1,877	-	44,978
	<u>(1,125,526)</u>	<u>345,175</u>	<u>(113,164)</u>	<u>20,181</u>	<u>35,817</u>	<u>17,430</u>	<u>70,114</u>	<u>364</u>	<u>34,679</u>	<u>12,642</u>	<u>4,801</u>	<u>13,137</u>	<u>301,181</u>	<u>49,319</u>	<u>10,000</u>	<u>(323,849)</u>
<b>Balance, June 30, 2007</b>	<b>\$ 7,105</b>	<b>\$ 2,706,050</b>	<b>\$ 15,993</b>	<b>\$ 551,526</b>	<b>\$ 317,739</b>	<b>\$ 67,565</b>	<b>\$ 144,505</b>	<b>\$ 25,146</b>	<b>\$ 87,740</b>	<b>\$ 36,098</b>	<b>\$ 21,308</b>	<b>\$ 28,429</b>	<b>\$ 336,199</b>	<b>\$ 49,319</b>	<b>\$ 200,660</b>	<b>\$ 4,563,397</b>

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 4. MINERAL PROPERTIES (Cont'd...)

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims and non-compliance with regulatory requirements.

#### MEXICO

##### (a) Santa María de Moris mine

In June 2006, the Company and Minera Hochschild de México, S.A. de C.V. ("MHM"), a subsidiary of the Hochschild mining group, entered into an agreement to jointly acquire the inactive Santa María de Moris mine. This purchase was completed in December 2006. Under the terms of the agreement, the total purchase cost of the mine was US\$6,000,000 for 100% of the rights to the concessions and other mine assets, with the Company owning 30%, while MHM owning 70%. One concession is subject to a net smelter return royalty ("NSR") of 2%. The royalty does not include the first 100,000 ounces of gold and is capped at US \$2,000,000.

The assets acquired consist of certain concessions plus related mine equipment and installations. The mine also has an associated asset retirement obligation (note 6).

During the six months ended June 30, 2007, a new company, Minas Santa María de Moris, S.A. de C.V. ("MSMM") was incorporated in Mexico, owned 30% by the Company's Mexican subsidiary, and 70% by a subsidiary of the Hochschild mining group. Fixed assets and deferred expenditures of the Santa María de Moris mine were transferred to MSMM. Both the Company and Hochschild participate in revenues and expenses of MSMM in proportion of their respective ownership.

The accounting treatment for this ownership is that of the equity method, whereby the original investment is recorded at cost. The carrying value is then adjusted to reflect the investor's pro-rata share of earnings. In addition to its share of the purchase price of US \$1,800,000, the Company has invested approximately US \$2,220,000 in MSMM as its share of due diligence expenses and the costs to bring the mine into operation. The Company's share of MSMM loss for the six month period ended June 30, 2007, \$352,370 is reflected on the Company's consolidated losses and in the value of the investment in MSMM.

Under a separate agreement, the Company arranged for a line of credit of US\$1,500,000 from a subsidiary of the Hochschild mining group, to make the initial payment, to pay for its share of mine due diligence and development expenditures, and complete the acquisition (note 5). See note 12, subsequent events. See note 12, subsequent events.

##### (b) Moris Project and Arechuyvo Projects

During fiscal 2005, the Company acquired certain concessions in the Moris and Arechuyvo districts of western Chihuahua State, Mexico for a cash payment of US\$100,000. The Company holds 100% title ownership of these concessions.

During fiscal 2005, the Company acquired the underlying option agreement for one concession, La Fe. The Company may earn 100% title interest by paying US\$200,000 over four years, of which US\$45,000 was paid during 2006 and US\$20,000 was paid during the current period.

During fiscal 2005, the Company entered into an option agreement to acquire 100% of certain additional concessions in the Moris district, Mexico. The Company paid US\$65,000 and may earn 100% by paying US\$785,000 over five years beginning in 2007.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 4. MINERAL PROPERTIES (Cont'd...)

#### (b) Moris Project and Arechuyvo Projects (Cont'd...)

In February 2006, the Company signed a letter of intent and in June 2006 a definitive agreement to enter into an option to acquire a 50% interest in a single concession and a 100% interest in certain additional mining concessions located in Chihuahua, Mexico in consideration for a payment of US\$10,000. In order to complete the acquisition, the Company is required to pay US\$1,500,000 in stages over four years, of which US\$60,000 have been paid. The property is subject to a NSR of US\$2 per ounce gold on commencement of production.

In May 2006, the Company entered into an option agreement to acquire 100% of one concession by paying US\$90,000 over three years, of which US\$27,500 has been paid. The property is subject to a 2% NSR to a maximum of US\$200,000. The NSR can be purchased by paying US\$90,000 for each 1%.

In May 2006, the Company entered into an option agreement to acquire 100% of one concession by paying US\$30,000 over three years, of which US\$8,000 has been paid. The property is subject to a 1% NSR to a maximum of US\$50,000. The NSR can be purchased by paying US\$30,000.

In March 2006, the Company entered an agreement with MHM to grant MHM an option to earn a 70% interest in certain concessions making up the Moris project. In order to earn a 70% interest, MHM is required to incur exploration expenditures of US\$4,800,000. In addition MHM also agreed to subscribe for US\$850,000 in capital stock of the Company in stages to March, 2011. In August 2006, the Company issued 509,090 common shares to a company related to MHM at a price of \$0.22 per share for proceeds of \$112,000 (US\$100,000).

In April 2007, the Company entered into an option agreement to earn up to 100% of the rights of two concessions, La Pedregosa and Juana Ines, in the Moris district of the state of Chihuahua, Mexico. Under the terms of the agreement the Company will make staged payments totalling US\$400,000 over five years, and grant an NSR of 1% should the project arrive to production stage, which can be purchased for US \$100,000.

In May 2007, the Company optioned three additional concessions in the Moris district and finalized an option agreement to acquire five other concessions in the area. The Company has proposed to include all of these concessions in the Moris Exploration Joint Venture with Hochschild Mining Group (Hochschild). Also, an additional concession was staked by the exploration joint venture.

For the Pedregosa and Juana Inez concessions, EXMIN has agreed to make staged payments over the five year term of the option agreement for a total purchase price of US \$400,000 (plus applicable 15% value added tax) for 100 % of the rights to the concessions, with a 1% royalty for three years of production, under the following terms:

1. Payment of US \$50,000 on signing, part of which was used to pay back taxes and pay off two liens (paid);
2. Payments totaling US \$200,000 over four years with payments of US \$20,000 to US \$25,000 at six month intervals;
3. Subsequent payments totaling US \$150,000 in the 5th year.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 4. MINERAL PROPERTIES (Cont'd...)

#### (b) Moris Project and Arechuyvo Projects (Cont'd...)

EXMIN will assume the normal requirements to keep the concessions in good standing with the Mexican Mining Secretariat. EXMIN can terminate the contract unilaterally at any time, with no further obligations to the titleholder. There is no work commitment other than that required by Mexican law. The 1% royalty can be purchased for a payment of US \$100,000 at any time.

For the Relampago concession, EXMIN has agreed to make staged payments over four years for a total purchase price of US \$165,000 (plus applicable 15% value added tax) for 100 % of the rights to the concessions, with no royalty:

1. Payment of US \$15,000 on signing, part of which was used to pay back taxes (paid);
2. Payments totaling US \$75,000 over three years with payments of US \$10,000 to US \$15,000 at six month intervals;
3. Subsequent payments totaling US \$75,000 in the 4th year.

EXMIN will assume the normal requirements to keep the concessions in good standing with the Mexican Mining Secretariat. EXMIN can terminate the contract unilaterally at any time, with no further obligations to the titleholder. There is no work commitment other than that required by Mexican law.

During the six months ended June 30, 2007, MHM repaid the Company for exploration expenses in the amount of \$152,931. See note 12, subsequent events.

#### (c) Maguarichic Project

The Company has a 100% interest in the Tati de Oro concessions located in Maguarichic area of Mexico.

In June 2005, the Company entered into an option agreement to purchase 100% rights to the Santa Rosa concession for a total commitment of US\$20,000 in staged payments. Of which US\$28,000 has been paid.

In February 2006, the Company entered into an earn-in option agreement with Industrias Peñoles S.A. de C.V. ("Peñoles") to earn up to a 75% interest in the Company's Maguarichic Project. In order to earn up to a 65% interest, Peñoles is required to make staged payments to the Company of US\$600,000, drill a minimum of 2,000 meters and incur exploration expenditures of US\$3,500,000 by February, 2011. Peñoles may earn an additional 10% interest by completing a pre-feasibility study.

The Company received \$57,539 (US\$50,000) from Peñoles in 2006, and US\$126,000 during the six month period ended June 30, 2007.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 4. MINERAL PROPERTIES (Cont'd...)

#### (d) Oribo Project

In May 2006, the Company entered into an option agreement to acquire seven concessions in the San Rafael de Oribo area of western Chihuahua, Mexico. In addition, the Company also staked certain concessions around the optioned area. Under the terms of the option agreement, the Company will pay a total of US\$1,000,000 over five years, of which US \$70,000 has been paid.

#### (e) Reyna de Oro Project

The Company has a 25% interest in two concessions covering the Reyna de Oro project. The Company can acquire the remaining 75% interest by making staged payments to the owners of the concessions totalling US\$2,000,000 over five years, of which the Company has paid US\$360,000. During fiscal 2006, the Company renegotiated the original payment schedule, moving all remaining payments back by six months. During the six month period ended June 30, 2007, the Company paid US \$250,000.

This project also includes certain concessions owned 100% by the Company, including the Luz de Oro concession.

#### (f) Urique Project

In July 2006, the Company entered into an agreement to acquire concessions in the Urique region of western Chihuahua State, Mexico. The Company acquired the concessions for a cash payment of US\$100,000. The Company also entered into an option agreement to acquire an additional concession for staged payments totalling US\$200,000 over four years, of which \$20,000 has been paid.

In August 2006, the Company completed an option agreement with Yale Resources Ltd. ("Yale") whereby Yale can earn up to 75% interest in certain concession in the Urique project by incurring exploration expenditures of US\$4,500,000 and issuing 1.5 million shares to the Company over the five year term of the option. On signing, Yale issued 250,000 of its common shares to the Company valued at \$50,000. The market value of these shares at June 30, 2007 is \$82,500, and to this date Yale has refunded the Company for \$281,474 incurred in exploration expenses. See note 12, subsequent events.

In October 2006, the Company entered into an option agreement for the acquisition of three concessions in the Urique project currently under option to Yale. Under the terms of the option agreement, the Company will pay a total of US\$425,000 over four years for 100% of the rights, of which the Company has paid US\$50,000. The Concessions are subject to a 1% to 1.5% NSR. If the calculated reserves are less than one million ounces of gold, the NSR will be 1% and can be purchased for US\$250,000. If the calculated reserves are greater than one million ounces of gold, the NSR will be 1.5% and can be purchased for US\$425,000.

In October 2006, the Company entered into an additional option agreement for the acquisition of two additional concessions in the Urique project currently under option to Yale resources. Under the terms of the option agreement, the Company will pay a total of US\$410,000 over four years for 40% of the rights of one concession. The concessions are subject to a 1% to 1.5% NSR. If the calculated reserves are less than one million ounces of gold, the NSR will be 1% and can be purchased for US\$250,000. If the calculated reserves are greater than one million ounces of gold, the NSR will be 1.5% and can be purchased for US\$425,000.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 4. MINERAL PROPERTIES (Cont'd...)

#### (g) La Guitarra, Chihuahua

In November 2006, the Company entered into an option agreement to acquire certain concessions in the La Guitarra region of Chihuahua State, Mexico. Under the terms of the agreement the Company will pay US\$300,000 over four years, of which US\$10,000 was paid during 2006. US\$10,000 was paid during the six month period ended June 30, 2007.

#### (h) Guanajuato (Horcón) project

In November 2006, the Company entered into an agreement to acquire 100% of the rights of twelve concessions in the northern extension of the Guanajuato district of central Mexico. Under the terms of the option agreement, the Company will pay US\$1.5million over 5 years, of which the Company paid US \$25,000 during 2006 and another US \$25,000 to June 30, 2007. The properties are subject to a 1.5% NSR which is capped at US \$500,000.

#### (i) Batopilas project

During fiscal 2006, the Company acquired certain concessions by staking in the Batopilas region of Chihuahua State, Mexico.

The Company also entered into an option agreement to acquire 100% of the rights of two concessions in the Batopilas region. Under the terms of the agreement, the Company will pay US \$520,000 over four years, of which US \$20,000 was paid during 2006 and US \$15,000 paid during the six month period ended June 30, 2007.

In May 2007, the Company acquired an additional property in the state of Chihuahua, Mexico. The project consists of one concession covering 100 hectares and is located in the region south of the Reyna de Oro project and southwest of the Batopilas project. EXMIN's application for 100 hectares cost a total of approximately US\$ 4,000 dollars.

#### (j) El Pino project

In March 2007, the Company entered into an option agreement to earn up to 100% of the rights to two concessions, El Pino, in the state of Durango, Mexico. Under the terms of the agreement the Company will make staged payments totalling US\$400,000 over four years of which \$20,000 has been paid, and grant an NSR of 2% should the project arrive to production stage.

#### (k) Other claims under evaluation

In the normal course of business the Company is evaluating certain mining exploration claims that could be of potential interest. Once sufficient data is gathered, the Company will decide on whether or not to pursue exploration on these claims. If the Company decides not to pursue exploration, the property expenditures incurred to date will be written off.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

### 4. MINERAL PROPERTIES (Cont'd...)

#### CANADA

##### (I) Street Township Project

Pursuant to a series of agreements with 2029778 Ontario Inc., a corporation controlled by an individual who, after signing of the agreement became a director and who subsequently resigned, the Company entered into an option to earn a 100% interest in certain mining claims located in the Street Township, Sudbury Mining Division of Ontario. In accordance with the terms of the agreements, the Company issued 1,000,000 common shares valued at \$100,000 and incurred a minimum of \$75,000 in exploration expenditures for a 50% interest. In order to complete the acquisition, the Company was required to make additional payments of \$40,000, issue 600,000 common shares and incur \$600,000 in exploration expenditures in stages to February, 2008. The property was subject to a 1.5% NSR which was to be purchased in consideration of \$500,000 per one half percent (0.5%).

In February 2007, the Company terminated this option agreement and, with the consent of the optionor, entered into an agreement directly with the underlying owners of the claims to acquire 100% for a cash payment of \$10,000. It was also agreed that the NSR that was reserved in favour of the optionor and the underlying owners will be terminated.

### 5. LOAN PAYABLE

The Company arranged for a line of credit of US \$1,500,000 from a subsidiary of the Hochschild mining group to make the initial payment and to pay for its share of mine due diligence and development expenditures (note 5 (a)). During 2006, the Company received a draw of US\$517,500 to cover the initial payment and an accrued US\$235,000 towards its share of due diligence expenses. The remaining available balance of US\$747,500 was used during the period ended June 30, 2007. The accrued interest on this loan, using an interest rate equal to the London Interbank Offered Rate (LIBOR) + 3.5%, amounted to US \$72,278 as at June 30, 2007, and the the loan balance, including accrued interest, was \$1,650,892.33. This amount was settled subsequent to June 30, 2007, by the issuance of shares (see note 12, subsequent events).

### 6. ASSET RETIREMENT OBLIGATION

	Jun. 30, 2007	Dec. 31 2006
Asset retirement obligation – beginning balance	\$ 485,296	\$ -
Liabilities incurred	-	479,823
Accretion expense and foreign exchange	(23,183)	5,473
Asset retirement obligation – ending balance	\$ 462,113	\$ 485,296

The Company assumed asset retirement obligations with the acquisition of an interest in the Santa Maria de Moris mine (note 4 (a)) during 2006.

The total undiscounted amount of estimated cash flows required to settle the obligations is US \$1,700,000, which was adjusted for inflation at the rate of 4% and then discounted at 8.5%. Certain minimum amounts of asset retirement obligations will occur each year with the significant amounts to be paid on closure of the mine.

The Company's portion of this obligation is \$479,823.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

### 7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

#### Capital stock

##### Authorized:

- Unlimited number of common shares without par value.
- Unlimited number of preference shares without par value, convertible into common shares at the rate of one common share for one preference share (none currently outstanding).
- Unlimited number of special shares without par value, convertible into common shares and Series 2 common share purchase warrants at the rate of one common share and one Series 2 common share purchase warrant for one special share.

##### Issued:

<b>Common shares</b>	<b>Shares #</b>	<b>Amount \$</b>	<b>Contributed Surplus (\$)</b>
Balance, December 31, 2005	43,864,011	7,544,109	742,773
Private placements	17,968,611	3,842,880	-
Share issue costs	-	(293,090)	-
Compensation warrants	-	(176,529)	176,529
Exercise of warrants and agents' warrants	9,730,800	1,585,174	(5,869)
Stock-based compensation	-	-	812,296
Balance, December 31, 2006	71,563,422	12,502,544	1,725,729
Exercise of warrants and agents' warrants	5,826,376	2,963,282	(192,225)
Share issue costs	-	(730)	-
Exercise of stock options	187,500	58,741	(23,116)
Stock-based compensation	-	-	128,801
Balance, June 30, 2007	77,577,298	15,523,837	1,639,189

#### Common shares

In March 2006, the Company issued 14,533,333 units at a price of \$0.15 per unit for proceeds of \$2,180,000 consisting of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at \$0.20 for a period of two years. The Company paid finders fees of \$210,500 and granted agents warrants to acquire 1,403,333 units valued at \$176,529, exercisable at \$0.15 per agent warrant until March 9, 2008 into one unit identical to the placement units. The fair value of these agent warrants was estimated using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 3.92%; dividend yield 0%; volatility of 110%; and expected life of 2 years. Other share issuance costs amounted to \$291,114.

In August 2006, the Company issued 509,090 common shares at a price of \$0.22 per share to a company related to MHM pursuant to the agreement referred to in Note 4(b), for proceeds of \$112,000 (US\$100,000). Issuance costs amounted to \$913.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

### 7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (Cont'd...)

#### Common shares (Cont'd...)

In December 2006, the Company issued 2,926,188 common shares at a price of \$0.53 per share for proceeds of \$1,550,880. Issuance costs amounted to \$1,063.

#### Stock options and warrants

The Company adopted a stock option plan approved by shareholders to grant options to directors, employees and consultants, to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting provisions at the discretion of the Board of Directors of the Company unless otherwise specified by TSX Venture Exchange policies and securities law.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2005	16,447,500	0.38	204,545	0.51
Issued/Granted	7,266,666	0.20	5,705,000	0.29
Exercised	(9,662,700)	0.16	-	-
Expired/cancelled	(610,000)	0.15	(159,545)	0.47
Outstanding, December 31, 2006	13,441,466	0.45	5,750,000	0.29
Issued/Granted	-	-	350,000	0.63
Exercised	(4,442,516)	0.50	(187,500)	0.19
Expired unexercised	(930,000)	0.60	(62,500)	0.19
Outstanding, June 30, 2007	8,068,950	0.47	5,850,000	0.32
Number currently exercisable	8,069,950	\$ 0.47	3,970,000	\$ 0.32

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

### 7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (Cont'd...)

The following incentive stock options and share purchase warrants were outstanding at June 30, 2007:

	Number of Shares	Exercise Price (\$)	Expiry Date
<b>Stock options:</b>	150,000	0.40	April 14, 2010
	2,430,000	0.26	April 10, 2011
	2,920,000	0.32	September 18, 2016
	350,000	0.63	March 23, 2012
<b>Warrants:</b>	4,000,000	0.75	April 14, 2007
	4,068,950	0.20	March 9, 2008
<b>Agents warrants</b> <sup>(1)</sup>	1,011,123	0.15	March 9, 2008
	<sup>(1)</sup> 174,355	0.20	March 9, 2008

<sup>(1)</sup> Each agent's compensation warrant is exercisable at \$0.15 into one common share and one half of one common share purchase warrant. Each whole share purchase warrant is exercisable into one additional common share at a price of \$0.20 until March 9, 2008.

#### Stock-based compensation

During the six months ended June 30, 2007, the Company granted 350,000 options to two consultants. Using the *Black-Scholes* option pricing model, the weighted average fair value of options granted was \$0.47 per option. Total stock-based compensation for options that vested during this period recognized in the statement of operations was \$128,801.

During fiscal 2006, the Company granted 5,705,000 (2005 – 450,000) options to current and former officers and directors. Using the *Black-Scholes* option pricing model, the weighted average fair value of options granted was \$0.21 (2005 - \$0.18) per option. Total stock-based compensation recognized in the statement of operations during fiscal 2006 was \$812,296 (2005 - \$6,378) for options granted and vested.

The following weighted average assumptions were used for the valuation of stock options:

	Jan-Jun 2007	2006
Risk-free interest rate	4.41%	4.16%
Expected life of options	5 years	4.3 years
Annualized volatility	96.22%	101.96%
Dividend rate	0%	0%

These stock-based compensation amounts were recorded as contributed surplus on the balance sheet.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

### 8. INCOME TAXES

Please refer to Note #10 to the Audited Financial Statements for December 31, 2006. There is no tax calculation specifically performed for this interim period.

### 9. SEGMENTED INFORMATION

The Company currently operates in one reportable operating segment, being the acquisition and exploration of mineral properties, predominantly in Mexico and Canada.

Geographic segmentation is as follows:

	Jun. 30 2007	Dec. 31, 2006
Canada:		
Equipment	\$ 4,955	\$ 5,506
Mineral properties	200,660	190,660
	205,615	196,166
Mexico:		
Equipment	191,083	1,834,748
Mineral properties	4,362,737	4,696,586
	4,553,820	6,531,334
	\$ 4,759,435	\$ 6,727,500

The reduction in the values for equipment and mineral properties in Mexico is due to the transfer of the assets of the Santa Maria de Moris mine to the new company, Minas Santa Maria de Moris, S.A. de C.V. (note 4), and now reflected on the balance sheet as a investment in that company.

### 10. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2007, the Company entered into the following transactions with related parties:

- Paid or accrued consulting fees of \$136,183 (2006 - \$157,079) to two officers of the Company.
- Paid \$39,075 (2006 - \$37,800) in consulting and administration fees and \$3,600 (2006 - \$Nil) in office rent to a company controlled by an officer of the Company.
- Paid or accrued directors' fees of \$5,000 (2006 - \$12,000) to three directors of the Company.

Included in accounts payable and accrued liabilities is \$25,342 (December 31, 2006 - \$54,782) due to directors and officers of the Company in consulting fees and/or reimbursable expenses.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# EXMIN RESOURCES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2007 and 2006

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### 11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and accrued liabilities, and loan payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company is exposed to financial risk arising from fluctuation in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

### 12. SUBSEQUENT EVENTS

In July, 2007, the Company subscribed a non-brokered private placement with Hochschild Mining Holdings Limited, a subsidiary of Hochschild Mining PLC (LSE: HOC) in cash of \$3,150,000 (US \$3,000,000) by issuing 7,875,000 common shares at a price of \$0.40 per share. The proceeds are earmarked to be used exclusively for work related the starting of operations at the Santa María de Moris mine.

In addition, the Company settled the debt indicated in note 5 with Hochschild Mining (Mexico) Corporation, another subsidiary of Hochschild Mining PLC, of \$1,650,892 including accrued interest by issuing 4,127,231 common shares at a price of \$0.40 per share.

In August 2007 the Company received \$106,830 (US \$100,000) from Hochschild Mining Holdings Limited ("HMHL", a subsidiary of Hochschild Mining PLC) and issued 213,660 common shares at a price of \$0.50 per share. These shares were issued pursuant to an option agreement whereby Minera Hochschild Mexico, S.A. de C.V. ("MHM", a Mexican subsidiary of the Hochschild PLC) may earn a 70% interest in EXMIN's Moris exploration project by investing a total of US \$5.65 million. Of the total amount, US \$4.8 million is earmarked for project development, and the remaining US \$850,000 is being paid to EXMIN through private placements in EXMIN's stock by HMHL over the balance of the five year term of the agreement. The issuance described above represents the second of such private placements.

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