GGL DIAMOND CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 29, 2008

(UNAUDITED)

NOTICE: The Company's auditors have not reviewed the attached Interim Consolidated Financial Statements for the period ended February 29, 2008.

GGL DIAMOND CORP.

Consolidated Balance Sheets as at
(Unaudited)

		February 29, 2008		November 30, 2007 (Audited)
ASSETS				
Current				
Cash and cash equivalents	$	3,125,091	$	745,148
Amounts receivable		248,560		215,465
Prepaid expenses		680,336		13,038
		4,053,987		973,651
Unproven mineral interests (Note 2)		15,959,109		15,428,331
Property, plant and equipment		429,730		450,349
	$	20,442,826	$	16,852,331
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	260,698	$	234,153
Current portion of mortgage loan		6,833		10,705
		267,531		244,858
FUTURE INCOME TAX LIABILITIES		385,284		-
		652,815		244,858
SHAREHOLDERS' EQUITY				
Share capital (Note 3)		34,249,208		31,689,095
Contributed surplus (Note 5)		3,133,381		3,125,977
Deficit		(17,592,578)		(18,207,599)
		19,790,011		16,607,473
	$	20,442,826	$	16,852,331

Subsequent events (Note 12)

On behalf of the Board:

"Raymond A. Hrkac"
Raymond A. Hrkac, Director

"Nick DeMare"
Nick DeMare, Director

GGL DIAMOND CORP.

Consolidated Statements of Operations and Deficit
For the three months ended
(Unaudited)

	February 29, 2008	February 28, 2007
Expenses		
Amortization	$ 606	$ 663
Consulting fees	97,260	30,426
Corporate relations	2,555	18,075
Interest expense	423	192
General exploration costs	54,493	32,993
Legal and audit	16,118	28,271
Licences, taxes, insurance and fees	14,137	7,342
Office services and expenses	57,276	34,943
Shareholders' meetings and reports	2,925	525
Stock-based compensation	7,404	2,751
Travel	2,097	534
Operating loss	(255,294)	(156,715)
Other income (loss)		
Foreign exchange loss	(70)	(1,183)
Interest income	32,283	2,526
Other tax expense (Note 6)	(17,281)	(800)
Write off of property, plant and equipment	(3,828)	-
	11,104	543
Net loss before tax	(244,190)	(156,172)
Future income tax recovery	859,211	66,351
Net income (loss) for the period	615,021	(89,821)
Deficit, beginning of period	(18,207,599)	(14,951,875)
Deficit, end of period	$ (17,592,578)	$ (15,041,696)
Income (loss) per share - basic and diluted	$ 0.005	$ (0.001)
Weighted average number of common shares outstanding - basic and diluted	135,569,489	104,078,893

Please see the notes accompanying these financial statements.

GGL DIAMOND CORP.

Consolidated Statements of Cash Flows
For the three months ended
(Unaudited)

	February 29, 2008	February 28, 2007
Cash flows from (used in) operating activities		
Income (loss) for the period	$ 615,021	$ (89,821)
Adjustment for items not involving cash:		
- amortization of property, plant and equipment	16,788	6,412
- stock-based compensation	7,404	2,751
- future tax recovery	(859,211)	(66,351)
- write off of property, plant and equipment	3,828	-
	(216,170)	(147,009)
Change in non-cash working capital items:		
- amounts receivable	(33,095)	(37,999)
- prepaid expenses	(667,298)	19,648
- accounts payable and accrued liabilities	83,348	(719,675)
	(833,215)	(885,035)
Cash flows from (used in) financing activities		
Shares issued for cash	52,750	591,250
Shares issued for cash - flow-through shares	4,014,500	189,680
Shares to be issued	-	39,000
Share issuance costs	(285,142)	(108,645)
Principal reduction of mortgage loan	(3,872)	(4,256)
	3,778,236	707,029
Cash flows from (used in) investing activities		
Acquisition of unproven mineral interests	(66,429)	-
Additions to deferred exploration costs	(498,649)	273,503
	(565,078)	273,503
Increase in cash and cash equivalents	2,379,943	95,497
Cash and cash equivalents, beginning of period	745,148	165,676
Cash and cash equivalents, end of period	$ 3,125,091	$ 261,173

See Note 10

Please see the notes accompanying these financial statements.

These notes should be read in conjunction with the Audited Consolidated Financial Statements for the year ended November 30, 2007.

1. Nature of Operations

The Company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the mineral properties and related deferred costs is entirely dependent upon the existence of such reserves, the ability of the Company to obtain the necessary financing to develop the reserves and upon future profitable production.

The Company intends to continue its exploration programs. The Company's ability to continue its exploration programs is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is actively pursuing such additional sources of financing.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown in the consolidated financial statements should the Company be unable to continue as a going concern. The ability of the Company to settle its liabilities as they come due and to fund ongoing operations is dependent upon the ability of the Company to obtain additional funding from equity financing. Failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis.

2. Unproven Mineral Interests

	Balance November 30, 2007	2008 mineral interests additions	2008 exploration cost additions	2008 written off	Balance February 29, 2008
Doyle Lake	$ 3,835,843	$ -	$ 31,697	$ -	$ 3,867,540
Fishback Lake	1,285,995	-	7,081	-	1,293,076
CH	7,580,214	-	71,667	-	7,651,881
Providence Greenstone Belt	1,131,239	66,429	340,118	-	1,537,786
McConnell Creek	1,595,040	-	13,783	-	1,608,823
	$ 15,428,331	**$ 66,429**	**$ 464,346**	**$ -**	**$ 15,959,106**

2. Unproven Mineral Interests, continued

	Balance November 30, 2007	2008 Additions	2008 written off	Balance February 29, 2008
Unproven mineral interests	$ 579,921	$ 66,429	$ -	$ 646,350
Deferred exploration costs	14,848,410	464,346	-	15,312,756
	$ 15,428,331	**$ 530,775**	**$ -**	**$ 15,959,106**

Providence Greenstone Belt, Northwest Territories, Canada.

During the quarter, the Company staked an additional 76,020 acres in the Providence Greenstone Belt area of the Northwest Territories. These claims lie within an extensive belt of rocks previously identified by a mapping project funded by the Geological Survey of Canada and reported as having the potential for hosting magmatic nickel mineralization. These claims are pending acceptance from the Mining Recorder.

Exploration costs incurred during the three months ended:

	February 29, 2008	February 28, 2007
Chartered aircraft	$ 5,538	$ (310)
Sampling	66,011	1,816
Licences, recording fees and lease payments	48,969	30,566
Project supplies	194,967	8,862
Salaries and wages	49,675	34,270
Technical and professional services	90,710	47,649
Transportation	8,476	764
	$ 464,346	**$ 123,617**

3. Share Capital

(a) Authorized: unlimited common shares without par value.

(b) Issued:

	# shares	$
Balance, November 30, 2007	**122,731,670**	**31,689,095**
Private placement - flow-through share agreements	16,058,000	4,014,500
Share issuance costs	-	(325,142)
Shares issued as commission	160,000	40,000
Shares issued for services	117,527	22,500
Exercise of stock options	85,000	21,250
Exercise of warrants	210,000	31,500
Less: Flow-through share renunciation	-	(1,244,495)
Balance, February 29, 2008	**139,362,197**	**34,249,208**

(c) During the quarter ended February 29, 2008

(i) the Company completed a private placement of 16,058,000 flow-through shares at $0.25 per common share for gross proceeds of $4,014,500. The proceeds from these flow-through shares will be spent on Canadian Exploration Expenditures on the Company's unproven mineral interests. The Company paid cash finder's fees of $236,800 and issued 160,000 common shares (at a value of $40,000) on a portion of the proceeds;

(ii) the Company issued 117,527 common shares in payment of $22,500 owed pursuant to a financial advisory agreement (see Commitments);

(iii) the Company issued 85,000 common shares upon the exercise of stock options at $0.25 per common share for gross proceeds of $21,250. In addition 285,000 stock options expired unexercised; and

(iv) the Company issued 210,000 common shares upon the exercise of warrants at $0.15 per common share for gross proceeds of $31,500.

3. Share Capital, continued

(d) At February 29, 2008, the Company had the following share purchase warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
190,000	$0.45	June 12, 2008
18,000	$0.45	June 27, 2008
2,400,000	$0.175	Dec. 21, 2008
100,000	$0.175	Dec. 28, 2008
100,000	$0.25	Jan. 3, 2009
230,000	$0.15/$0.175	Mar. 07, 2009
3,038,000		

Changes in warrants during the period ended February 29, 2008 are as follows:

	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	3,248,000	$0.16
Exercised	(210,000)	$0.15
Outstanding, end of period	3,038,000	$0.17

4. Stock Options

The Company has a 10% rolling Stock Option Plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the TSX Venture Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for fixed number stock option plans, except for stock options granted to investor relations consultants which vest over one year. Under the 10% rolling plan, the number of shares available for grant increases as the issued capital of the Company increases.

No options were granted, expired or exercised during the period.

4. Stock Options, continued

Stock options outstanding as at February 29, 2008:

	Shares	Weighted Average Exercise Price
Options outstanding as at Nov. 30, 2007	7,420,833	$0.43
Exercised	(85,000)	$0.25
Expired	(285,000)	$0.25
Options outstanding as at February 29, 2008	**7,050,833**	**$0.44**
2008 options exercisable	7,050,833	$0.44
2007 options exercisable	5,531,100	$0.26

	2008	2007
Weighted average remaining contractual life	3.31 years	2.72 years
Weighted average fair value of options granted during the period	N/A	N/A

5. Contributed Surplus

Contributed surplus for 2008 and 2007 is comprised of:

	2008	2007
Balance, November 30,	**$ 3,125,977**	**$ 1,325,053**
Stock-based compensation on stock options	7,404	2,751
Fair value of warrants	-	316,818
Warrants exercised	-	(1,166)
Balance, February 29,	**$ 3,133,381**	**$1,643,456**

6. Other Tax Expense

During the period ended February 29, 2008, the Company incurred a tax expense on the monthly unspent balance of flow-through funds from the December 2007 private placement. This Part XII.6 tax expense was calculated by multiplying the unspent CEE at the end of each month (starting with February, 2008) by the prescribed interest rate (divided by 12) set by Canada Revenue Agency. This prescribed interest rate for the period ended February 29, 2008 has not been disclosed on the CRA website, therefore an estimate was made using the prescribed interest rate of 7% from December 2007. The tax expense will continue until all of the flow-through funds have been spent. At February 29, 2008 $2,962,418 remains unspent.

6. Other Tax Expense, continued

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. The renunciation of such expenditures is accounted for as a financing cost related to the flow-through issuance and results in a reduction in share capital with a corresponding increase in the Company's future tax liability.

As at February 29, 2008, the Company renounced the $4,014,500 flow-through related resource expenditures to the investors.

7. Related Party Transactions

During the three months ended February 29, 2008, the Company was billed $26,185 (February 28, 2007 – $30,000) by one director for consulting fees and $6,315 (February 28, 2007 - nil) for technical and professional services. As at February 29, 2008, $9,863 was included in accounts payable (February 28, 2007 - $30,000).

8. Segmented information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the three months ended February 29, 2008 and February 28, 2007.

9. Commitments

(a) In 2006, the Company entered into a three year operating lease agreement with respect to its office premises and acquired additional office space for three years. Both leases end June 30, 2009 and the minimum payments required under the agreement are:

Year	Minimum payment per year
2008	$63,248
2009	$37,184

(b) The Company signed an Agreement with Roman Friedrich & Company Ltd. ("RFC") for a term of 12 months to provide financial and advisory services to the Company with respect to the raising of equity capital, project financing and strategic planning. RFC receives a retainer of $15,000 per month paid as to $7,500 in cash and $7,500 in common shares of the Company. The Company issued a total of 117,527 common shares in payment of $22,500 owed for the three months ended January 15, 2008.

10. Supplementary Cash flow information

Non-cash operating, financing, and investing activities were conducted by the Company during fiscal quarters ended February 29, 2008 and 2007 as follows:

	2008	2007
Operating activities		
Accounts payable for deferred exploration costs	$ 157,820	$ 475,094
Financing activities		
Issuance of common shares as finder's fee	40,000	4,221
Investing activities		
Accounts payable for deferred exploration costs	$ (157,820)	$ (475,094)
Other supplementary cash flow information:		
Cash paid for interest charges	$ 124	$ 371
Cash paid for income taxes	$ -	$ -

11. Comparative Figures

Certain 2007 figures have been reclassified to conform to the presentation used in the current period.

12. Subsequent Events:

Subsequent to February 29, 2008, the Company:

(a) Issued 50,000 common shares upon the exercise of stock options at 0.20 per common share for gross proceeds of $10,000 and

(b) Issued 129,828 common shares in payment of $22,500 owed pursuant to a financial advisory agreement (see Note 9 (b)).