

FINLAY MINERALS LTD.

Unaudited Interim Financial Statements

March 31, 2008

These financial statements have not been reviewed by the Company's auditors.

FINLAY MINERALS LTD.

Balance Sheets

As at

	March 31, 2008 (unaudited)	December 31, 2007
	\$	\$
A S S E T S		
Current		
Cash and short-term deposits	166,849	141,393
GST receivable	1,594	38,135
Prepaid expense	4,164	4,164
	<u>172,607</u>	<u>183,692</u>
Deferred mineral property costs	5,776,014	5,764,749
Reclamation deposit	57,200	57,200
	<u>6,005,821</u>	<u>6,005,641</u>
L I A B I L I T I E S		
Current		
Accounts payable and accrued liabilities	29,228	12,112
	<u>15,383</u>	<u>1,105</u>
	44,611	13,217
Future income taxes	1,316,000	1,311,790
	<u>1,360,611</u>	<u>1,325,007</u>
S H A R E H O L D E R S ' E Q U I T Y		
Share capital (note 4)	4,973,125	5,012,536
Contributed surplus	445,740	445,740
Deficit	(773,655)	(777,642)
	<u>4,645,210</u>	<u>4,680,634</u>
	<u>6,005,821</u>	<u>6,005,641</u>

See notes to the financial statements

FINLAY MINERALS LTD.
Statements of Operations and Deficit
For the three month period ended March 31,
(Unaudited)

	2007	2007
	\$	\$
Expenses		
Advertising and promotion	850	6,335
Consulting	8,450	1,339
Interest and bank charges	1,300	594
Insurance	-	1,411
Office and administration	698	1,543
Professional fees	5,920	2,457
Rent	2,154	-
Stock based compensation	-	5,902
Telephone	199	209
Travel and accomodation	5,965	17,116
Trust and filing fees	6,130	5,397
Interest income	(452)	(2,598)
	<u> </u>	<u> </u>
Loss before tax	(31,214)	(39,705)
Future income tax recovery	35,201	-
	<u> </u>	<u> </u>
Net income (loss) for the period	3,987	(39,705)
Deficit - beginning of period	(777,642)	(483,750)
Deficit - end of period	<u>(773,655)</u>	<u>(523,455)</u>
	<u> </u>	<u> </u>
Loss per share	\$ (0.00)	\$ (0.00)
Weighted-average number of common shares outstanding	<u>37,655,907</u>	<u>33,134,170</u>

See notes to the financial statements

FINLAY MINERALS LTD.
 Statements of Cash Flows
 For the three month periods ended March 31,
 (Unaudited)

	2008	2007
	\$	\$
Cash provided by (used for):		
Operating Activities		
Net income (loss) for the period	3,987	(39,705)
Adjustment for item not affecting cash:		
Stock based compensation expense	-	5,902
Future income tax (recovery) expense	(35,201)	-
	(31,214)	(33,803)
Changes in non-cash working capital components:		
Due to/from related parties	15,383	1,412
Prepaid expense	-	(3,417)
GST receivable	36,541	36,378
Accounts payable and accrued liabilities	8,192	(8,382)
	28,902	(7,812)
Investing Activity*		
Deferred mineral property costs	(3,446)	(75,659)
Net cash provided (used) during the period	25,456	(83,471)
Cash - beginning of period	141,393	324,445
Cash - end of period	166,849	240,974

* **Supplemental Disclosure of Non-Cash Investing Activity**

During the period ended March 31, 2008, the Company incurred \$9,206 (2007 - \$51,847) in exploration expenditures recorded in accounts payable.

FINLAY MINERALS LTD.
Statements of Deferred Mineral Property Costs
For the three month period ended March 31, 2006
(Unaudited)

	Balance December 31, 2007	Net Expenditures	Balance March 31, 2008
	\$	\$	\$
BRITISH COLUMBIA			
Atty and Pil Claims			
Acquisition	73,220	-	73,220
Assay, IP and linecutting	528,106	-	528,106
Camp accommodations and travel	1,020,059	-	1,020,059
Drilling	1,466,687	409	1,467,096
Equipment rentals	129,613	-	129,613
Field Office expense	115,318	932	116,250
Geological and geophysical	1,444,246	5,807	1,450,053
Road constriction	392,273	-	392,273
	<u>5,169,522</u>	<u>7,148</u>	<u>5,176,670</u>
Silver Hope Claims			
Acquisition	173,928	-	173,928
Assay, IP and linecutting	72,528	4,117	76,645
Camp accommodations and travel	15,236	-	15,236
Drilling	230,428	-	230,428
Equipment rental	3,233	-	3,233
Geological and geophysical	80,998	-	80,998
Roads	18,876	-	18,876
	<u>595,227</u>	<u>4,117</u>	<u>599,344</u>
Total Deferred Mineral Property Costs	<u><u>5,764,749</u></u>	<u><u>11,265</u></u>	<u><u>5,776,014</u></u>

FINLAY MINERALS LTD.
Notes to the Financial Statements
March 31, 2008

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company's major activity is the acquisition and exploration of mineral properties. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves. The Company does not generate cash flows from operations and has therefore relied principally upon the issuance of equity securities to finance its exploration activities. The Company intends to continue relying upon the issuance of equity securities to finance its operations and exploration activities to the extent that such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's interim financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

2. ACCOUNTING PRINCIPLES AND USE OF ESTIMATES

The accompanying unaudited interim financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements dated December 31, 2007. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods have been reflected. The results for the three month period ended March 31, 2008 are stated utilizing the same accounting policies as those reflected in the Company's most recent annual financial statements, but these interim figures are not necessarily indicative of the results to be expected for the full year.

All accounting policies are the same as described in note 2 of the Company's audited financial statements for the year ended December 31, 2007, with the exception of the following accounting policies adopted by the Company on a prospective basis with no restatement of prior period financial statements.

(i) CICA Handbook Section 1535 - Capital Disclosures

The Company's objectives in managing capital are to safeguard them in order to utilize them to explore its mineral properties. The Company considers shareholders' equity, cash and equivalents and short term investments as capital. The Company issues shares to maintain its capital structure and is not subject to any external capital requirements. The Company's policy is to maintain sufficient capital to conduct its operations and has not made any changes to this policy in the three months ended March 31, 2008.

(ii) Financial Instruments - Disclosure (Section 3862) and Presentation (Section 3863)

The carrying amount of the Company's cash and short term deposits, amounts receivable and accounts payable approximates their fair values. The Company manages its capital as follows; credit, liquidity and counterparty risk is managed by investing only in Canadian bank financial instruments, or government securities which are capable of prompt liquidation.

The Company maintains all of its investments and conducts all of its business in Canada and so has no foreign exchange risk nor does it have any currency or other hedge related risks.

Interest rate risk is minimized by investing in short term securities with floating rates of interest. Commodity risk is not hedged as the Company has no production and any market risk is outside of the Company's control.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) International Financial Reporting Standards (“IFRS”)

In February 2008 the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not yet been determined.

Flow-through financing

The Company may issue securities referred to as flow-through shares, whereby the investors may claim the tax deductions arising from the expenditure of the proceeds. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), and share capital is reduced. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

3. SHARE CAPITAL

- a) Authorized share capital consist of: 200,000,000 common shares without par value.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

Issued:

	Number of shares	Total Value	Contributed Surplus
		\$	\$
Issued at December 31, 2007	37,655,907	5,012,536	445,740
Future income tax costs*	-	(39,411)	-
Issued at March 31, 2008	<u>37,655,907</u>	<u>4,973,125</u>	<u>445,740</u>

*Associated with flow-through renunciations occurring during the current interim period.

3. **SHARE CAPITAL** (continued)

b) Summary of stock options outstanding at March 31, 2008:

Expiry Date	Exercise Price	December 31, 2007	Granted	March 31, 2008
	\$			
July 24, 2008	0.35	525,000	-	525,000
May 20, 2009	0.375	200,000	-	200,000
May 18, 2011	0.22	200,000	-	200,000
May 29, 2012	0.20	1,125,000	-	1,125,000
		2,050,000	-	2,050,000
Weighted average exercise price		\$ 0.26	\$ -	\$ 0.26
Weighted average remaining life		3.03		2.78

c) Summary of warrants and agent warrants outstanding at March 31, 2008:

Number	Exercise Price	Expiry Date
	\$	
Warrants:		
2,550,000	0.35/0.50	April 10, 2008 and 2009
Agent warrants:		
347,826	0.20	April 10, 2009

4. **RELATED PARTY TRANSACTIONS**

All these related party transactions were in the normal course of operations and are measured at their fair value as determined by management. The amounts are unsecured, bear no interest and have no fixed terms for repayment.

During the three month period ended March 31, 2008, the Company paid two directors and their private companies an aggregate of \$15,383 (December 31, 2007 - \$288,286) for exploration and administration and management services and are owed \$15,383 (December 31, 2007 was owed - \$Nil).

During the three month period ended March 31, 2007, the Company paid an aggregate of \$1,419 (December 31, 2007 - \$25,389) in legal expenses to a director.

5. **COMMITMENT**

At March 31, 2008, the Company is to incur approximately \$104,275 (December 31, 2007 - approximately \$115,540) in eligible exploration expenditures prior to December 31, 2008 in order to complete obligations entered into under flow-through share purchase agreements.