



INTERIM FINANCIAL STATEMENTS

For the Three Months Ended

May 31, 2008 and 2007

(Expressed in Canadian Funds)

Prepared by Management Without Audit

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the period ended May 31, 2008.

Stikine Gold Corporation

Balance Sheets

Canadian Funds

	As at May 31, 2008 (unaudited)	As at February 29, 2008
ASSETS		
Current		
Cash and cash equivalents	\$ 21,279	\$ 32,656
Receivables	5,735	23,990
Prepaid expenses	14,055	11,705
	<u>41,069</u>	<u>68,351</u>
Resource Property Costs - Schedule (Note 3)	1,231,453	1,171,778
Reclamation Bonds (Note 7)	6,000	6,000
Equipment (Note 4)	2,382	2,600
	<u>\$ 1,280,904</u>	<u>\$ 1,248,729</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 43,633	\$ 46,968
Asset retirement obligations (Note 6)	6,000	6,000
Due to related parties (Note 8d)	70,823	6,506
	<u>120,456</u>	<u>59,474</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 5)	6,966,245	6,927,436
Contributed Surplus (Note 5f)	810,453	839,262
Deficit	(6,616,250)	(6,577,443)
	<u>1,160,448</u>	<u>1,189,255</u>
	<u>\$ 1,280,904</u>	<u>\$ 1,248,729</u>

Nature of operations and going concern (Note 1)

ON BEHALF OF THE BOARD:

"Scott Broughton", Scott E. Broughton, Director

"David Skerlec", David J. Skerlec, Director

Stikine Gold Corporation
Statements of Loss, Comprehensive Loss and Deficit
For the Three Months Ended May 31

Canadian Funds

Unaudited

	2008	2007
General and Administrative Expenses		
Audit, accounting and legal fees	\$ 21,970	\$ 7,030
Rent, office and sundry	5,853	9,808
Consulting and management fees	5,214	14,100
Advertising, promotion and shareholder relations	3,690	8,337
Listing and filing fees	2,007	3,651
Amortization	218	360
Travel	-	1,863
Bank charges and interest	-	243
Stock-based compensation	-	4,201
Loss before the Undernoted	38,952	49,593
Resource costs written-off	-	273,330
Interest income	(145)	(12,616)
Loss and Comprehensive Loss for the Period	38,807	310,307
Deficit – Beginning of period	6,577,443	6,124,435
Deficit – End of Period	\$ 6,616,250	\$ 6,434,742
Loss per Share - Basic and Diluted	\$ (0.01)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	37,817,093	34,100,609

- See Accompanying Notes -

Stikine Gold Corporation
Statements of Cash Flows
For the Three Months Ended May 31

Canadian Funds
Unaudited

Cash Resources Provided By (Used In)	2008	2007
Operating Activities		
Loss for the period	\$ (38,807)	\$ (310,307)
Items not affecting cash		
Resource costs written-off	-	273,330
Stock-based compensation	-	4,201
Amortization	218	360
Changes in non-cash working capital		
B.C. exploration tax credit receivable	-	186,853
Receivables	18,255	20,205
Prepaid expenses	(2,350)	(31,731)
Accounts payable and accrued liabilities	(3,335)	5,433
Due to related parties	11,817	(9,997)
	<u>(14,202)</u>	<u>138,347</u>
Investing Activities		
Resource property costs	<u>(7,175)</u>	<u>(602,015)</u>
	(7,175)	(602,015)
Financing Activities		
Equity issued for cash	<u>10,000</u>	<u>112,500</u>
	10,000	112,500
Net Increase (decrease) in Cash and Cash Equivalents	(11,377)	(351,168)
Cash and cash equivalents – Beginning of period	<u>32,656</u>	<u>504,446</u>
Cash and cash equivalents – End of Period	\$ 21,279	\$ 153,277
Supplemental Schedule of Non-Cash Investing and Financing Transactions		
Property expenditures include in accounts payable or due to related parties	\$ 52,500	\$ 10,993
Fair value of options exercised	\$ (28,809)	\$ (141,045)
Shares issued for property	\$ -	\$ 441,000

- See Accompanying Notes -

Stikine Gold Corporation
Schedule of Resource Property Costs

For the Three Months Ended May 31

Canadian Funds

Unaudited

	2008	2007
Huskie Uranium Project, SK, Canada		
Acquisition Costs		
Staking, land and claim costs	\$ 56,633	\$ -
Deferred Exploration Costs		
Insurance	2,105	-
Labour	329	-
Geophysical	-	46,970
	<u>59,067</u>	<u>46,970</u>
Catalan Copper Project, BC, Canada		
Acquisition Costs		
Option payment – cash	-	10,000
Deferred Exploration Costs		
Assaying	608	912
	<u>608</u>	<u>10,912</u>
Total Costs for the Period	59,675	57,882
Balance - Beginning of Period	<u>1,171,778</u>	<u>766,171</u>
Balance - End of Period	\$ 1,231,453	\$ 824,053

- See Accompanying Notes -

Stikine Gold Corporation

Notes to Financial Statements

May 31, 2008 and 2007

Canadian Funds
Unaudited

1. Nature of Operations and Going Concern

Stikine Gold Corporation (the "Company") was incorporated July 10, 2000 as Withit Capital Corp., changed its name to Stikine Gold Corporation June 18, 2002 and commenced operations in the 2003 fiscal year. The Company engages principally in the acquisition, exploration and development of resource properties in Canada.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended May 31, 2008, the Company reported a loss of \$38,807 and an accumulated deficit of \$6,616,250 at that date. Cash and cash equivalents at May 31, 2008 amounted to \$21,279. These circumstances lend substantial doubt as to the ability of the Company to continue as a going concern.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to ultimately achieve profitable operations in the future. Management continues to seek equity financing for the Company and although management has been successful in the past; there is no assurance that these initiatives will be successful in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Significant Accounting Policies

a) These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements as at February 29, 2008.

b) Changes in accounting policies

The Company has adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

i) Section 1400, *General Standards of Financial Statement Presentation - Going Concern* requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date.

ii) Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed. The purpose will be to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

Stikine Gold Corporation

Notes to Financial Statements

May 31, 2008 and 2007

Canadian Funds
Unaudited

2. Significant Accounting Policies - Continued

iii) Section 3031, *Inventories*, prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

iv) Sections 3862 and 3863 – *Financial Instruments - Disclosures*, requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

b) New Accounting Pronouncements - International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February of 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is 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 the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Resource Property Costs

Details are as follows:

	Acquisition	Deferred Exploration	Total May 31, 2008
British Columbia, Canada Catalan Copper Project(a)	\$ 81,423	\$ 209,506	\$ 290,929
Saskatchewan, Canada Huskie Uranium Project(b)	537,809	402,715	940,524
	\$ 619,232	\$ 612,221	\$ 1,231,453

	Acquisition	Deferred Exploration	Total February 29 2008
British Columbia, Canada Catalan Copper Project(a)	\$ 81,423	\$ 208,898	\$ 290,321
Saskatchewan, Canada Huskie Uranium Project(b)	481,176	400,281	881,457
	\$ 562,599	\$ 609,179	\$ 1,171,778

Stikine Gold Corporation

Notes to Financial Statements

May 31, 2008 and 2007

Canadian Funds
Unaudited

3. Resource Property Costs - *continued*

- a) During the year ended February 29, 2008, the Company completed the acquisition of a 100% interest in the Catalan Copper Property for \$60,000 in cash payments of which \$50,000 was paid in 2007. The Catalan mineral claims lie adjacent to the Gibraltar Copper Molybdenum Mine near Williams Lake, in south-central British Columbia. The property is subject to a 1% net smelter return held by the vendor upon commencement of commercial production.
- b) During the year ended February 28, 2007, the Company completed the purchase of a 100% interest in the Huskie Uranium Property, in Northern Saskatchewan. In order to acquire the 100% interest, the Company issued 1,225,000 common shares with a fair value of \$441,000 to the vendor. The property is subject to a 2.5 percent net smelter return held by the vendor upon commencement of commercial production that is reducible to 1 percent at the option of the Company upon payment of \$3-million.

4. Equipment

Details are as follows:

	Cost	Accumulated Amortization	May 31, 2008 Net Book Value
Computer/Office equipment	\$ 17,336	\$ 14,954	\$ 2,382

	Cost	Accumulated Amortization	February 29, 2008 Net Book Value
Computer/Office equipment	\$ 17,336	\$ 14,736	\$ 2,600

5. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
Unlimited common shares without par value		
Balance as at February 28, 2007	33,667,917	\$ 6,405,913
Issued and fully paid		
Private Placement – prorated value of common shares issued	3,000,000	270,206
Exercise of stock options at \$0.10	1,125,000	112,500
Fair value of options exercised	-	141,045
Share Issuance costs	-	(2,228)
Balance as at February 29, 2008	37,792,917	6,927,436
Issued and fully paid		
Exercise of stock options at \$0.10	100,000	10,000
Fair value of options exercised	-	28,809
Balance as at May 31, 2008	38,792,917	\$ 6,966,245

Stikine Gold Corporation

Notes to Financial Statements

May 31, 2008 and 2007

Canadian Funds
Unaudited

5. Share Capital - Continued

b) Three Months Ended May 31, 2008

During the first quarter ended May 31, 2008, 100,000 stock options set to expire on February 2, 2009 were exercised for proceeds of \$10,000.

c) Year Ended February 29, 2008

During the year ended February 29, 2008, the Company completed a non-brokered private placement for proceeds of \$300,000. Three million units were issued at a price of \$0.10 per unit, each consisting of one common share and one half of one share purchase warrant. Each full warrant entitles the holder to acquire an additional common share until September 13, 2008 at price of \$0.20. Directors of the Company purchased a total of 2,025,000 units.

The prorated fair value of the warrants issued was calculated to be \$29,794 on the grant date and is accounted for as a reduction to proceeds from the common shares with the offsetting entry to contributed surplus. The total fair value of warrants was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Number of warrants	1,500,000
Average risk-free interest rate	4.28%
Expected dividend yield	Nil
Expected stock price volatility	85.3%
Average expected life	1 year

d) Stock Options

The company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. The maximum number of shares issuable under the stock option plan shall not exceed 10% of the issued and outstanding shares. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors.

At May 31, 2008 there were 2,130,000 options outstanding at a weighted average exercise price of \$0.32. A summary of the changes during the period is as follows:

Number at February 29, 2008	Granted	Exercised	Number at May 31, 2008	Exercise Price Per Share	Expiry
630,000	-	-	630,000	\$0.55	Mar. 4, 2010
100,000	-	-	100,000	\$0.10	July 31, 2008
450,000	-	(100,000)	350,000	\$0.10	Feb 2, 2009
200,000	-	-	200,000	\$0.20	Mar 13, 2011
100,000	-	-	100,000	\$0.30	June 1, 2011
750,000	-	-	750,000	\$0.30	Feb. 20, 2012
2,230,000	-	(100,000)	2,130,000	\$0.32	

During the first quarter ended May 31, 2008, 100,000 stock options were exercised for proceeds of \$10,000.

Stikine Gold Corporation
Notes to Financial Statements
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Canadian Funds
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5. Share Capital - Continued

As at February 29, 2008 there were 2,230,000 options outstanding at a weighted average exercise price of \$0.31. A summary of the changes during the year is as follows:

Number at February 28, 2007	Granted	Exercised	Number at February 29, 2008	Exercise Price Per Share	Expiry
630,000	-	-	630,000	\$0.55	Mar. 4, 2010
835,000	-	(735,000)	100,000	\$0.10	July 31, 2008
840,000	-	(390,000)	450,000	\$0.10	Feb 2, 2009
200,000	-	-	200,000	\$0.20	Mar 13, 2011
100,000	-	-	100,000	\$0.30	June 1, 2011
750,000	-	-	750,000	\$0.30	Feb. 20, 2012
3,355,000	-	(1,125,000)	2,230,000	\$0.31	

During the year ended February 29, 2008, directors of the Company exercised a total of 1,125,000 options at an exercise price of \$0.10 per share for cash proceeds of \$112,500.

e) **Warrants**

A summary of the Company's warrants and agent's warrants outstanding at May 31, 2008 is as follows:

Number Outstanding February 29, 2008	Issued	Expired	Exercised	Number Outstanding May 31, 2008	Exercise Price	Expiry Date
1,500,000	-	-	-	1,500,000	\$0.20	Sept. 13, 2008
1,500,000	-	-	-	1,500,000	\$0.20	

A summary of the Company's warrants and agent's warrants outstanding at February 29, 2008 and the changes for the fiscal year are as follows:

Number Outstanding February 28, 2007	Issued	Expired	Exercised	Number Outstanding February 29, 2008	Exercise Price	Expiry Date
478,000	-	(478,000)	-	-	\$0.55	Apr. 20, 2007
1,750,000	-	(1,750,000)	-	-	\$0.45	Aug. 22, 2007
1,000,000	-	(1,000,000)	-	-	\$0.45	Dec. 29, 2007
90,466	-	(90,466)	-	-	\$0.45	Aug. 22, 2007
112,694	-	(112,694)	-	-	\$0.45	Dec. 29, 2007
-	1,500,000	-	-	1,500,000	\$0.20	Sept. 13, 2008
3,431,160	1,500,000	(3,431,160)	-	1,500,000	\$0.20	

Stikine Gold Corporation

Notes to Financial Statements

May 31, 2008 and 2007

Canadian Funds
Unaudited

5. Share Capital - Continued

f) Contributed Surplus

Details are as follows:

	May 31, 2008	February 29, 2008
Balance – Beginning of Period	\$ 839,262	\$ 938,563
Fair value of warrants issued	-	29,794
Fair value of agent's warrants issued	-	-
Fair value of warrants amended	-	-
Issuance costs attributed to warrants	-	(246)
Fair value of options exercised	(28,809)	(141,045)
Fair value of stock-based compensation	-	12,196
Balance – End of Year	\$ 810,453	\$ 839,262

6. Asset Retirement Obligations

For each property, management has estimated the costs of reclaiming any disturbances to its projects at May 31, 2008. Details of management's estimates of reclamation and mine closure costs are as follows:

	May 31, 2008	February 29, 2008
Balance – Beginning of Period	\$ 6,000	\$ -
Estimated drill site and road closure costs	-	6,000
Balance – End of Period	\$ 6,000	\$ 6,000

Asset retirement obligations relating to the abandoned Sullivan Deeps project have been estimated by management and reflect the present value of expected reclamation costs. The total inflated, undiscounted value of reclamation work is estimated to be \$6,000 and is planned for August of 2008.

It is possible the Company's estimate of its asset retirement obligations could materially change due to possible changes in laws and regulations or changes in cost estimates.

7. Reclamation Bonds

At May 31, 2008, reclamation bonds totalling \$6,000 (2007-\$6,000) were held with the British Columbia Ministry of Energy, Mines and Petroleum Resources as summarized below:

	May 31, 2008	February 29, 2008
Catalan Copper Project	\$ 3,500	\$ 3,500
Sullivan Deeps Project	2,500	2,500
Total	\$ 6,000	\$ 6,000

Interest on the funds, earned at rates of 2.1 to 3.1 percent, accrues to the Company's benefit and is recorded as interest income in the period in which it is received.

Stikine Gold Corporation

Notes to Financial Statements

May 31, 2008 and 2007

Canadian Funds
Unaudited

8. Related Party Transactions

Except as noted elsewhere in these financial statements, related party transactions are measured and recorded at fair market value as follows:

- a) During the three months ended May 31, 2008, consulting fees of Nil (2007 - \$3,600) were paid or accrued to the Company's President and Chief Executive Officer. Services provided include general corporate, exploration and acquisition strategy, planning and management work, contract negotiations, and investment presentations
 - b) During the three months ended May 31, 2008, consulting fees of \$5,950 (2007 - \$10,500) were paid or accrued to the Company's Secretary and Chief Financial Officer. Services provided include corporate finance initiatives, fund raising, contract negotiations, accounting, office and general management.
 - c) During the three months ended May 31, 2008, rent costs of \$5,386 (2007 - \$5,209) were paid or accrued to a company with directors of the Company in common.
 - d) At May 31, 2008 current liabilities include \$70,823 (2007 - \$3,775) payable to related parties. These amounts were incurred in the ordinary course of business, are non-interest bearing, and without specific repayment terms.
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9. Fair Value of Financial Instruments

The carrying amounts of financial instruments, including accounts receivable, B.C. exploration tax credit receivables, accounts payable and accrued liabilities, and due to related parties, approximate fair value as of May 31, 2008 and February 28, 2009.

10. Segmented Information

The Company's principal activity is the exploration and development of mineral properties. All of these properties are located in Canada.

11. Subsequent Events

Subsequent to May 31, 2008, the Company granted incentive stock options to directors and consultants of the company to purchase up to 1.8 million common shares of the Company at a price of 10 cents per share for a period of five years.
