

FORAN MINING CORPORATION

FINANCIAL STATEMENTS

SIX MONTHS ENDED MARCH 31, 2008

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these 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 auditors.

FORAN MINING CORPORATION
SIX MONTHS ENDED MARCH 31, 2008 and 2007

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FORAN MINING CORPORATION
INTERIM CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2008
(Unaudited – Prepared by Management)

	Six Months March 31, <u>2008</u>	Year End September 30 <u>2007</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 255,992	\$ 52,248
Accounts receivable	29,753	122,424
Deposits	8,181	6,091
Prepaid expenses	<u>8,573</u>	<u>18,115</u>
	302,499	198,878
Portfolio investment (Note 3)	1,500,750	500,000
Mineral properties (Note 4)	4,549,890	3,145,316
Capital assets (Note 5)	153,237	38,004
Capital assets held for sale (Note 6)	800,000	914,837
Long-term deposits	<u>50,000</u>	<u>50,000</u>
	<u>\$ 7,356,376</u>	<u>\$ 4,847,035</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 265,616	\$ 161,496
Demand Loan (Note 7)	125,000	125,000
Current portion of long-term debt (Note 8)	<u>-</u>	<u>5,721</u>
	390,616	292,217
Minority Interest (Note 2)	<u>373,457</u>	<u>104,232</u>
	<u>764,073</u>	<u>396,449</u>
Contingency (Note 9)		
<u>SHAREHOLDERS' DEFICIENCY</u>		
Share Capital (Note 10)	37,299,766	35,934,448
Contributed surplus	284,824	210,196
Deficit	(31,993,037)	(31,694,058)
Accumulated Comprehensive Income	<u>1,000,750</u>	<u>-</u>
	6,592,303	4,450,586
	<u>\$ 7,356,376</u>	<u>\$ 4,847,035</u>
Nature and continuance of operations (Note 1)		

FORAN MINING CORPORATION
SIX MONTHS ENDED MARCH 31, 2008 and 2007
(Unaudited – Prepared by Management)

FORAN MINING CORPORATION
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

	Three Months March 31, 2008	Three Months March 31, 2007	Six Months March 31, 2008	Six Months March 31, 2007
REVENUE				
Interest Income	0.00	234	1,582	981
Misc. Income	0.00	974	14,355	974
Total Revenue	0.00	1,208	15,937	1,955
 EXPENDITURES- Administrative				
Administration	15,095	34,829	34,794	58,744
Agency Fees	11,162	12,926	13,274	14,650
Amortization	10,739	2,824	22,014	6,068
Interest & Bank Charges	5,786	1,524	10,614	74,753
Professional fees	26,639	93,667	32,325	115,115
Rent	12,917	11,247	23,877	24,610
Repairs & maintenance	2,398	13,650	3,492	35,930
Stock-based Compensation	74,627	85,038	74,627	85,038
Wages & benefits	48,383	56,252	99,899	99,012
	207,746	311,956	314,916	513,920
Loss before the under-noted Write-down (Recovery) of mineral properties	(207,746)	(310,748)	(298,979)	(511,965)
Gain on Sale of Equity Securities	-	21,249	-	21,249
Gain on Disposal of Assets (Note 3)	-	9,718	-	17,062
LOSS FOR THE PERIOD	(207,746)	(279,781)	(298,979)	(473,654)
Other Comprehensive Income: (Change in unrealized gain on available-for-sale investment)	1,000,750		1,000,750	
COMPREHENSIVE INCOME	793,004		701,771	
Deficit, beginning of period	(31,785,291)	(30,910,370)	(31,694,059)	(30,716,497)
DEFICIT END OF PERIOD \$	(31,993,037)	(31,190,151)	(31,993,038)	(31,190,151)
Basic and fully diluted loss per share \$	(.002)	(0.003)	(.002)	(0.01)

Weighted average number of shares outstanding 123,121,871

FORAN MINING CORPORATION
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CONSOLIDATED STATEMENT OF CASH FLOW

	Three Months March 31, 2008	Three Months March 31, 2007	Six Months March 31, 2008	Six Months March 31, 2007
Cash flows from operating activities				
Loss for the period	(207,746)	(279,781)	(298,979)	(478,854)
Items not affecting cash				
Amortization	10,739	2,824	22,014	6,068
Gain on disposal of capital assets		(9,718)	-	(11,861)
Gain on disposal of equity securities		(21,249)	-	(21,249)
Write-down (Recovery) of mineral properties			-	
Write-down (Recovery) of assets		(3,268)	-	(6,671)
Stock-based Compensation	74,627	85,038	74,627	85,038
Non-cash interest expense	3,290	1,062	6,711	73,669
Net changes in non-cash working capital items				
Related to operations:				
Accounts receivable	349,314	23,293	97,435	(2,756)
Prepaid and deposits	(503)	2,398	7,452	(2,737)
Accounts payable and accrued liabilities	111,552	(6,451)	92,642	13,154
Minority Interest	(29,855)	23,997	269,225	23,997
Cash provided by (used in) operating activities	<u>\$ 311,418</u>	<u>(181,855)</u>	<u>271,127</u>	<u>(322,202)</u>
INVESTING ACTIVITIES				
Mineral property expenditures	(758,691)	(186,521)	(1,404,574)	(247,834)
Property, plant and equipment	(22,409)	9,900	(22,409)	28,475
Proceeds from disposal of Capital Assets	-	145,967	-	148,110
Cash used in investing activities	<u>\$ (781,100)</u>	<u>(30,654)</u>	<u>(1,426,983)</u>	<u>(71,249)</u>
FINANCING ACTIVITIES				
Proceeds from issuance of debt	(15,000)	125,000	-	125,000
Repayment of long-term debt	(2,302)	(3,418)	(5,719)	(6,835)
Cost of share issuance	-	(15,000)	(134,712)	(42,088)
Proceeds from issuance of shares	-	250,000	1,500,030	250,000
Cash provided by financing activities	<u>\$ (17,302)</u>	<u>356,582</u>	<u>1,359,599</u>	<u>326,077</u>
INCREASE (DECREASE) IN FUNDS	(486,984)	144,073	203,743	(67,374)
Cash and cash equivalents at beginning of period	742,976	19,637	52,249	231,084
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 255,992</u>	<u>163,710</u>	<u>255,992</u>	<u>163,710</u>

Cash and cash equivalents consist of cash on hand and balance with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash	<u>\$ 255,992</u>	<u>\$163,710</u>
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FORAN MINING CORPORATION
SIX MONTHS ENDED MARCH 31, 2008 and 2007
(Unaudited – Prepared by Management)

1. Nature and continuation of operations

Foran Mining Corporation ("The Company" or "Foran") was continued under the Business Corporations Act and is incorporated under the laws of Saskatchewan effective November 13, 2007. Principal business activities include the acquisition and exploration of mineral properties.

These consolidated financial statements have been prepared on the basis of Canadian generally accepted accounting principles as applicable to a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

The Company is in the development stage and has incurred significant operating losses and its ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development, future production or proceeds from the disposition thereof. There are no assurances that the Company will be successful in achieving these goals. These consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

These interim consolidated financial statements have been prepared by management using the same accounting policies and methods as were used for the consolidated financial statements for the year ended September 30, 2007, except for the following new accounting pronouncements which have been adopted. These consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements filed on SEDAR.

As required by the Canadian Institute of Chartered Accountants ("CICA"), on October 1, 2007, the Company adopted CICA Handbook Section 1535, Capital Disclosures, Section 3862, Financial Instruments-Disclosures, and Section 3863, Financial Instruments-Presentation. Section 1535 establishes disclosure requirements about an entity's capital and how it is managed. The purpose is to enable users of the financial statements to evaluate objectives, policies and processes for managing capital. Sections 3862 and 3863 replaced Section 3861, Financial Instruments - Disclosure and Presentation, and increase emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks. Application of these pronouncements had no impact on reported results of operations.

3. Portfolio investment

During the fiscal year ended September 30, 2005, Foran made a \$500,000 payment to Copper Reef (1973) Limited (the "other company") with respect to an Assignment Agreement on the McIlvenna Saskatchewan mineral property. During the year ended September 30, 2005, Foran had requested an arbitration hearing in an effort to rescind the Assignment Agreement.

In May 2006 the arbitration hearing closed with a Settlement Agreement between the other company and Foran. The Settlement Agreement considers the \$500,000 to be a payment made on behalf of Foran to meet required installments for the rights to the McIlvenna Saskatchewan project.

As at March 31, 2008, as part of the Settlement Agreement, Foran owns 5,750,000 common voting shares of the other company. Foran does not exercise significant influence over the other company, therefore the investment is designated as available for sale. As at March 31, 2008 the investment was trading on the CNQ Exchange.

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4. Mineral properties

Six Months ended March 31, 2008

	Balance September 30, 2007	Acquisition costs and license fees	Net Exploration and development expenditures	Recoveries	Balance March 31, 2008
Kisseynew, MB	\$ 1	\$ -	\$ -	\$ -	\$ 1
McIlvenna, SK	2,418,022	-	1,357,802	-	3,775,824
Saskatchewan Project	465,895	20,266	-	-	486,161
Manitoba Project	261,397	26,506	-	-	287,903
Other	1	-	-	-	1
	<u>\$3,145,316</u>	<u>\$ 46,772</u>	<u>\$ 1,357,802</u>	<u>\$ -</u>	<u>\$4,549,890</u>

Six Months ended March 31, 2007

	Balance September 30, 2006	Acquisition costs and license fees	Net Exploration & development expenditures	Recovery from Disposition	Balance March 31, 2007
Kisseynew, MB	\$ 1	\$ -	\$ -	\$ -	\$ 1
McIlvenna, SK	2,029,509	440	67,133	-	2,097,082
Saskatchewan Project	210,212	69,200	104,694	-	384,106
Manitoba Project	252,751	-	6,367	-	259,118
Other	1	-	-	-	1
	<u>\$ 2,492,474</u>	<u>\$ 69,640</u>	<u>\$ 178,194</u>	<u>\$ -</u>	<u>\$2,740,308</u>

FORAN MINING CORPORATION
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4. Mineral properties (continued)

Details of the exploration and development expenditures incurred during the period ended March 31, 2008 and March 31, 2007 for the Company's major properties are as follows:

Six Months Ended March 31, 2008

	<u>McIlvenna Bay, SK</u>
Airborne Geophysical and	
Geological surveys	5,175
Assaying, sampling, line cutting and mapping	3,786
Drilling	933,313
Geological consulting	82,049
Fuel	52,059
Site visit, report and insurance	2,489
Roadwork	13,874
Misc. Supply purchase/repair	39,886
Equipment Rental	53,666
Travel, accommodation and field	120,252
Camp Maintenance	37,888
Administration	13,365
	<u>\$ 1,357,802</u>

Six Months Ended March 31, 2007

	<u>McIlvenna Bay, SK</u>	<u>Sask. Project</u>
Assaying, sampling, line cutting and mapping	\$ 83	
Geological consulting	7,080	
Airborne Geophysical	-	104,694
Site visit, report and insurance	46,893	
Small tool purchase/repair	188	
Travel, accommodation and field	909	
Administration	11,980	
	<u>\$ 67,133</u>	<u>\$ 104,694</u>

a) McIlvenna, Saskatchewan

In January 2005, the Company entered into an option agreement to acquire a 100% interest in the McIlvenna mineral property located in Saskatchewan. Total consideration consists of paying \$1,006,500 to Cameco Corporation ("Cameco") and \$493,500 to BHP Billiton ("Billiton") on or before January 25, 2005; \$1,342,000 to Cameco and \$658,000 to Billiton on or before May 31, 2006; or issuing Foran Mining Corporation common shares worth \$2,013,000 to Cameco and \$987,000 to Billiton on or before May 31, 2006. The Company could have elected to satisfy the May 31, 2006 payment through the issuance of shares rather than by way of cash payment, the share price would have been calculated using the average trading price of the Company's common shares on the TSX for the first fifteen (15) trading days in May of 2006. The shares issued to Cameco and Billiton would have been freely tradable and not be subject to any form of statutory or Exchange-imposed hold period or trading prohibition.

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4. Mineral properties (continued)

In January 2005, Foran entered into an agreement to conditionally assign to another company all of its rights and interest in the property option agreement for the McIlvenna Saskatchewan property. In a letter dated January 24, 2005, Cameco and Billiton conditionally consented to the assignment. The initial consideration consists of the other company funding the payment of \$1,500,000 to Cameco and Billiton. The other company also agreed to issue 5,500,000 common shares to Foran, with an additional 2,500,000 issued at a price of \$0.20 per unit, for a total of \$500,000. Foran believed that the conditions had not been satisfied. By notice made July 19, 2005, the company filed a Demand for Arbitration to rescind the Assignment Agreement entered into in January 2005 with the other company. In January 2005 required payments of \$1,006,500 and \$493,500 made to Cameco and Billiton respectively were made by the other company.

In May 2006 the arbitration was settled. The Settlement Agreement with the other company resulted in Foran holding a 75% joint venture interest in the McIlvenna, Saskatchewan property, acting as the operator of exploration projects, owning 5,750,000 common shares of the other company, giving up licenses on a number of other mineral properties, and giving up the 2,500,000 shares previously issued by the other company for \$0.20 per share. In May 2006, Foran made the last required payments of \$1,342,000 and \$658,000 to Cameco and Billiton respectively.

If any venturer does not make cash payments within 30 days of the Company invoicing a cash call, they will give up a proportion of its interest in McIlvenna Saskatchewan based on a pro-rated calculation. If any venturer's interest drops below 10%, they will give up their remaining interest and be assigned a net tonnage royalty of 0.75 cents per tonne on all ores hauled to the surface from the property.

Cameco and Billiton hold a 1% royalty interest in the property. Foran has the option to purchase from Cameco and Billiton the royalty interest for \$1,000,000.

b) Saskatchewan and Manitoba Projects

On November 21, 2003, the TSX-V accepted for filing the Purchase Agreement dated November 11, 2003, for 100% of Aur Resource Inc.'s interest in 29 Mining Claim Groups located in the Flin Flon, Snow Lake and Lynn Lake areas of Manitoba and Saskatchewan.

The properties included 29 property claim groups totaling more than 50,000 hectares, all associated data files, airborne data for over 70 airborne EM surveys, as well as office and warehouse equipment, furnishings and supplies. The purchase gave the Company control of 21 sulphide zones, at least eight gold deposits/zones and provided numerous developed drill targets, most of which are designed to extend known zones.

The Company has committed, through previous mineral property ownership agreements associated with the Saskatchewan and Manitoba projects, to pay various net smelting and net profits interest royalty fees. The net smelting fees range from 0% - 2% and the net profits interest royalty fees range from 0% - 15%.

During the year ended September 30, 2006 the Company transferred, as part of an arbitration settlement agreement, 13 Manitoba properties. The properties transferred had a combined book value of nil. The remaining 16 properties total more than 30,000 hectares.

On October 11, 2007 Teck Cominco Limited advised that they had completed the acquisition of all of the common shares of Aur Resources Inc. The agreement associated with the Saskatchewan and Manitoba projects are now between Foran Mining Corporation and Teck Cominco.

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4. Mineral properties (continued)

c) Other Properties

In March 1998, the Company entered into an agreement with two companies, controlled by two parties who subsequently became directors and officers of the Company, to acquire a group of mineral property interests and underlying royalty rights in the Flin Flon Greenstone Belt in Manitoba and Saskatchewan. The Company acquired a 100% interest in 20 mineral claims in Manitoba known as the Big Island property, as well as a 65% to 100% interest in seven other claim groups in Manitoba and Saskatchewan. As consideration, the Company issued 3,000,000 common shares of the Company in fiscal 1999.

During the period ended September 30, 2005, the Company wrote-off accumulated costs relevant to these claims and no further exploration has been scheduled.

5. Capital assets

	March 31, 2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automobiles	\$ 58,835	\$ 42,666	\$ 16,169	\$ 18,905
Computer and survey equipment	30,305	20,286	10,019	11,715
Furniture and fixtures	13,498	6,836	6,662	7,384
Equipment	220,174	128,475	91,699	-
Trailers	36,264	7,576	28,688	-
	\$ 359,076	\$ 205,839	\$ 153,237	\$ 38,004

6. Capital assets held for sale

At March 31, 2008 the Company sold capital assets that are no longer in-use. The following assets are measured at the lower of cost less accumulated amortization and net recoverable amount.

	December 31, 2007			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	-	-	-	107,219
Trailers	-	-	-	7,618
Mill Equipment	\$ 1,506,893	706,893	800,000	800,000
	\$ 1,506,893	\$ 706,893	\$ 800,000	\$ 914,837

7. Demand Loan

In February 2007, the Company entered into two debenture agreements for proceeds of \$65,000 and \$60,000. The debentures accrue interest at 10% per annum with the principal amount and all accrued interest payable on January 30, 2008. An extension has been negotiated for the payment of the two debentures and accrued interest payable and the Company anticipates making full payment on or before August 31, 2008.

8. Long-term debt

	<u>2008</u>	<u>2007</u>
Ford Motor Credit Corporation loan bearing interest at 0% with monthly installments of \$1,139, secured by specific equipment, due February 2008	\$ 5,721	\$ 19,390

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Less current portion	5,721	13,669
	\$ 0	\$ 5,721

Principal payments due are as follows:

2008	\$ 5,721
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9. Contingency

During the year ended September 30, 2003, the Company, with two other companies, formed a general partnership which acquired an interest in the 1999 Investment Co. Limited Partnership.

During that same year end, the Company received a cash distribution of \$281,156 (less a finders fee of \$8,430) from the general partnership which represents the aggregate amount of cash the Company expects to receive from this investment. No cash distributions were received by the Company in the years ended September 30, 2006 and 2005.

On September 30, 2006 the Company sold the interest in the partnership to a non-related company.

The Company is contingently liable for any liabilities that may occur associated with the Foran investment in the partnership where the liability originated during the time Foran held an interest in the partnership.

10. Share capital

Authorized an unlimited amount of common shares,
without par value
Issued

	Common Shares	Share Capital
Balance, September 30, 2006	77,280,792	\$ 30,097,481
Issued for cash – private placement	2,892,730	525,000
Issued for loan (Note 7)	26,587,670	5,317,554
Issued for stock options	500,000	78,179
Share issue costs		(83,766)
Balance, September 30, 2007	107,261,192	\$ 35,934,448
Issued for cash – private placement	8,571,427	1,500,000
Share issue costs		(134,682)
Balance, December 31, 2007	115,832,619	\$ 37,299,766

During October, 2007, the company entered into an agreement with Mineral Fields Group for a non-brokered private placement consisting of 8,571,427 flow-through units at \$0.175 per share for aggregate proceeds of \$1,500,000. Each flow-through unit consists of one flow-through common share and one non-flow-through share purchase warrant. Each warrant has a term of 24 months with an exercise price of \$0.40 in year 1 and \$0.75 in year 2.

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10. Share capital (continued)

Stock options

The Company's Board of Directors approved the adoption of a stock option plan in accordance with the policies of the TSX Venture Exchange. The Board of Directors is authorized to grant options to directors, officers, consultants or employees. The maximum number of options that may be granted must not exceed 20% of the common shares outstanding at the time of the grant. The minimum vesting provisions are over an 18 month period with equal amounts vesting on a quarterly basis. A summary of the status of the Company's stock option plan and changes during the periods ended March 31, 2008 and 2007 is presented below.

For options outstanding at December 31, 2007 and 2007, weighted average exercise prices are as follows:

	2008		2007	
	Average Options	Price	Average Options	Price
Outstanding, beginning of year	2,075,000	0.16	2,915,000	0.18
Options granted	4,600,000	0.14	-	-
Options exercised	-		(500,000)	0.10
Expired or forfeited	-		(340,000)	0.37
	<u>\$ 6,675,000</u>	<u>0.15</u>	<u>\$ 2,075,000</u>	<u>\$ 0.16</u>

Options Price Per Share	Number Outstanding	Weighted Average Remaining Life
\$0.10	475,000	2.51
\$0.18	1,600,000	3.29
\$0.14	<u>4,600,000</u>	<u>4.77</u>
	<u>6,675,000</u>	<u>3.52</u>

Share purchase warrants and broker warrants

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

Expiry Date	Exercise Price	Balance		Balance		March 31, 2008
		September 30, 2007	Issued	Exercised	Expired	
December 11, 2007	0.25	1,666,666	-	-	1,666,666	-
July 31, 2008	0.19	59,575	-	-	-	59,575
August 31, 2008	0.20	61,250				61,250
October 23, 2008	0.40					
October 23, 2009	0.75		8,571,427			8,571,427
October 23, 2009	0.175		599,999			599,999
		<u>1,787,491</u>	<u>9,171,426</u>	<u>-</u>	<u>1,666,666</u>	<u>9,292,251</u>

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11. Related party transactions

In addition to related party transaction already disclosed, the Company entered into the following transactions with related parties:

- a) During the period, the Company paid and accrued \$5,100 (2007 - \$4,000) for office rent to a related party. During the period the Company also paid and accrued to the same party, \$8,660 (2006 – Nil) for two vehicle leases.

The above transactions are in the normal course of operations and measured at the exchange amount which approximates fair value and is the amount of consideration established and agreed to by the related parties.

12. Subsequent Events

On May 22, 2008 the Company closed a private placement for 5,000,000 common shares issued at \$0.06 per share for gross proceeds of \$300,000. The proceeds have been used for general operating expenses.