
CONTINENTAL PRECIOUS MINERALS INC.

(A DEVELOPMENT STAGE COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED
AUGUST 31, 2007**

(UNAUDITED)

Responsibility for Interim Consolidated Financial Statements

The accompanying interim consolidated financial statements for Continental Precious Minerals Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the May 31, 2007 audited consolidated financial statements. Only changes in accounting information have been disclosed in these interim consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the interim consolidated financial statements, management is satisfied that these interim consolidated financial statements have been fairly presented.

Auditors' Involvement

The auditors of Continental Precious Minerals Inc. have not performed a review of the unaudited interim consolidated financial statements for the three month period ended August 31, 2007 and August 31, 2006.

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Consolidated Balance Sheets

(Prepared by Management - Unaudited)

	August 31, 2007	May 31, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 1,110,654	\$ 6,782,661
Marketable securities	65,742	62,927
Short-term investments	30,933,882	25,829,408
Accounts receivable	26,734	20,531
Prepaid expenses	103,578	108,886
	32,240,590	32,804,413
Mineral properties	3,561,194	2,199,268
Technology licence	80,000	80,000
	\$ 35,881,784	\$ 35,083,681
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 499,091	\$ 269,301
Shareholders' Equity		
Share capital (Note 3(b))	27,750,914	26,644,380
Warrants (Note 3(c))	13,478,735	13,855,304
Contributed surplus (Note 3(d))	6,887,736	5,858,629
Deficit	(12,737,375)	(11,543,933)
Accumulated other comprehensive income	2,683	-
	35,382,693	34,814,380
	\$ 35,881,784	\$ 35,083,681

Nature of Operations (Note 1)

Commitment (Note 8)

Subsequent Event (Note 10)

Approved on Behalf of the Board:

"Edward Godin"

Director

"Patricia Sheahan"

Director

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

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Consolidated Statements of Loss

(Prepared by Management - Unaudited)

	Three Months Ended August 31,		Cumulative since inception of Uranium project ("March 21, 2005 to August 31, 2007")
	2007	2006	
Expenses			
Stock-option compensation (Note 3(d))	\$ 1,060,572	\$ 563,175	\$ 7,034,347
Travel and business development	167,495	21,501	887,076
Professional fees	94,334	57,626	298,976
Director fees	57,000	12,000	275,750
Management compensation	37,500	36,313	421,770
Office and general	36,718	14,385	183,901
Consulting fees	32,250	154,875	182,250
Shareholder relations	20,972	5,595	99,111
Stock exchange fees	-	1,100	227,314
Transfer agent fees	(8,792)	8,829	88,063
	1,498,049	875,399	9,698,558
Net operating loss before the following:	(1,498,049)	(875,399)	(9,698,558)
Interest and other income	304,607	75,472	1,011,453
Recovery of management fees	-	-	(105,000)
Gain on sale of marketable securities	-	-	5,198
Gain on sale of subsidiary	-	-	100
Write-down of marketable securities	-	-	(12,825)
Write-off of investment in Ekwan Technology Corporation	-	-	130,439
	304,607	75,472	1,029,365
Net loss for the period	\$ (1,193,442)	\$ (799,927)	\$ (8,669,193)
Loss per share (Note 4)			
Basic and diluted	\$ (0.03)	\$ (0.03)	

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

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Consolidated Statements of Comprehensive Loss

(Prepared by Management - Unaudited)

	Three Months Ended August 31, 2007	Cumulative since inception of Uranium project ("March 21, 2005 to August 31, 2007")
Net loss for the period	\$ (1,193,442)	\$ (8,669,193)
Net unrealized loss on available for sale marketable securities	(28,415)	(28,415)
Total Comprehensive Loss	\$ (1,221,857)	\$ (8,697,608)

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

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Consolidated Statements of Cash Flows

(Prepared by Management - Unaudited)

	Three Months Ended August 31,		Cumulative since inception of Uranium project ("March 21, 2005 to August 31, 2007")
	2007	2006	
Cash and cash equivalents (used in) provided by:			
Operating activities:			
Net loss	\$ (1,193,442)	\$ (799,927)	\$ (8,669,193)
Adjustments for non-cash items:			
Stock-option compensation (Note 3(d))	1,060,572	563,175	7,034,347
Write-down of marketable securities	-	-	12,825
Gain on sale of marketable securities	-	-	(5,198)
Gain on sale of subsidiary	-	-	(100)
Write-off of investment in Ekwan Technology Corporation	-	-	(130,439)
Changes in non-cash working capital balances:			
Accounts receivable	(6,203)	(4,610)	86,033
Prepaid expenses	5,308	(12,000)	(103,578)
Accounts payable and accrued liabilities	229,791	222,072	492,355
	96,026	(31,290)	(1,282,948)
Investing activities:			
Purchase of marketable securities	(133)	(125)	(1,368)
Short-term investments	(5,104,474)	-	(30,933,882)
Expenditures on mineral properties	(1,361,926)	(193,862)	(3,519,193)
Proceeds on sale of subsidiary	-	-	100
	(6,466,533)	(193,987)	(34,454,343)
Financing activities:			
Proceeds from issuance of share capital (net of share issue costs)	698,500	262,640	36,645,986
Change in cash and cash equivalents during the period	(5,672,007)	37,363	908,695
Cash and cash equivalents, beginning of period	6,782,661	12,898,024	201,959
Cash and cash equivalents, end of period	\$ 1,110,654	\$ 12,935,387	\$ 1,110,654
Supplemental schedule of non-cash transactions			
Shares issued as part of the acquisition of mineral properties	\$ -	\$ -	\$ 42,000
Shares issued as part of the acquisition of technology licence	\$ -	\$ -	\$ 80,000

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

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Consolidated Statements of Shareholders' Equity

(Prepared by Management - Unaudited)

	Three Months Ended August 31, 2007	2006	Cumulative since inception of Uranium project ("March 21, 2005 to August 31, 2007)
Share Capital			
Balance, beginning of period	\$ 26,644,380	\$ 6,257,752	\$ 4,571,479
Private placements	-	-	29,024,998
Fair value of warrants issued	-	-	(17,659,855)
Finder's fee on private placement	-	-	198,000
Exercise of options	31,500	-	228,225
Fair value of options exercised	31,465	-	169,258
Exercise of warrants	667,000	262,640	9,668,958
Fair value of warrants exercised	376,569	133,290	5,936,861
License payments on properties	-	-	122,000
Cost of issue: cash	-	-	(2,554,295)
Cost of issue: non-cash items	-	-	(1,954,715)
Balance, end of period	\$ 27,750,914	\$ 6,653,682	\$ 27,750,914
Warrants			
Balance, beginning of period	\$ 13,855,304	\$ 11,593,679	\$ -
Fair value of warrants issued	-	-	19,614,570
Fair value of warrants exercised	(376,569)	(133,290)	(6,134,861)
Fair value of warrants expired	-	-	(974)
Balance, end of period	\$ 13,478,735	\$ 11,460,389	\$ 13,478,735
Contributed Surplus			
Balance, beginning of period	\$ 5,858,629	\$ 684,846	\$ 37,607
Fair value of options expensed	1,060,572	563,175	7,018,413
Fair value of warrants expired	-	-	974
Fair value of options exercised	(31,465)	-	(169,258)
Balance, end of period	\$ 6,887,736	\$ 1,248,021	\$ 6,887,736
Deficit			
Balance, beginning of period	\$(11,543,933)	\$ (5,280,853)	\$ (4,068,182)
Net loss for period	(1,193,442)	(799,927)	(8,669,193)
Balance, end period	\$(12,737,375)	\$ (6,080,780)	\$(12,737,375)

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

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Consolidated Statements of Shareholders' Equity (Continued)

(Prepared by Management - Unaudited)

	Three Months Ended August 31, 2007	2006	Cumulative since inception of Uranium project ("March 21, 2005 to August 31, 2007)
Accumulated Other Comprehensive loss			
Balance, beginning of period	\$ -		\$ -
Cumulative transition adjustment**	31,098		31,098
Net change in unrealized gains on available for sale marketable securities.	(28,415)		(28,415)
Balance, end of period	\$ 2,683		\$ 2,683
Total Shareholders' Equity, End of Period	\$ 35,382,693	\$ 13,281,312	\$ 35,382,693

** Transition adjustment relates to the adoption of the new accounting standards pertaining to financial instruments; see Note 2 for details.

Continental Precious Minerals Inc.

(A Development Stage Company)

Interim Statements of Mineral Properties

(Prepared by Management - Unaudited)

	Three Months Ended August 31,		Cumulative since inception of Uranium project ("March 21, 2005 to August 31, 2007")
	2007	2006	
Sweden Uranium Project**			
Balance, beginning of period	\$ 2,199,268	\$ 339,969	\$ -
Drilling	414,584	61,551	1,284,040
Consulting	284,999	31,056	749,988
Geology	27,384	-	60,784
Professional fees	8,937	-	82,711
Data management	-	17,040	23,760
Assays, maps and reports	50,498	-	114,821
Equipment	-	-	33,750
Transportation	9,116	-	10,306
Travel and meals	454	2,549	30,325
Acquiring data, selecting targets, map preparation and landowner data	17,825	-	195,808
Licence acquisition and holding costs	548,129	81,666	968,884
General	-	-	6,017
	1,361,926	193,862	3,561,194
Balance, end of period	\$ 3,561,194	\$ 533,831	\$ 3,561,194

** For a description of the above noted property, please refer to Note 6 of the May 31, 2007 audited consolidated financial statements.

Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

1. Nature of Operations

Continental Precious Minerals Inc. ("Continental" or the "Company") is a reporting issuer that trades on the Toronto Stock Exchange, under the Symbol "CZQ". The Company was amalgamated with Fin Resources Inc. under the laws of the Province of Ontario, Canada by Articles of Amalgamation dated July 7, 1987. Since amalgamation, Continental's main business focus had been in the natural resource industry which included portfolio investments in common shares of other companies involved in exploration, development and production of natural resources. As of March 21, 2005, the Company changed its main business focus to acquiring and exploring Uranium mineral properties. To date, Continental has not earned revenues from its mineral exploration interests. As such, the Company has applied Accounting Guideline 11 "Enterprises in the Development Stage", issued by the Canadian Institute of Chartered Accountants ("CICA") from March 21, 2005 onwards.

The recoverability of exploration and development expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying amounts of deferred exploration expenditures.

2. Significant Accounting Policies

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended August 31, 2007 may not necessarily be indicative of the results that may be expected for the year ending May 31, 2008.

The balance sheet at May 31, 2007 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for complete consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual consolidated financial statements for the year ended May 31, 2007. For further information, refer to the consolidated financial statements and notes thereto included in the Company's annual consolidated financial statements for the year ended May 31, 2007.

Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

2. Significant Accounting Policies (Continued)

Accounting Changes

Section 1506, "Accounting Changes". This section prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The Company has adopted these new standards effective June 1, 2007.

Financial Instruments, Comprehensive Income and Hedges

The Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods are not restated. The Company has adopted these new standards effective June 1, 2007.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Under adoption of these new standards, the Company designated its cash and guaranteed investment certificates as held-for-trading, which are measured at fair value. The Company's marketable securities are designated as available-for-sale and are presented at market value with the gain or loss realized in the accumulated other comprehensive income account on the balance sheet. Accounts receivable and prepaid expenses are classified as loans and receivables, which is measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

2. Significant Accounting Policies (Continued)

Financial Instruments, Comprehensive Income and Hedges (Continued)

Impact upon adoption of sections 1530, 3855 and 3865

The Company has recorded the following transition adjustments in its financial statements as at January 1, 2007 resulting from the adoption of sections 1530 and 3855:

- i) an increase of \$31,098, representing a fair value adjustment to the value of marketable securities;
- ii) an increase in accumulated other comprehensive income of \$31,098, representing the fair value adjustment to the value of marketable securities, net of taxes of \$5,616 and a recovery of non-capital loss carryforwards amounting to \$5,616.

The Company has evaluated the impact of section 3865 on its financial statements and determined that no adjustments are currently required.

Future Accounting Changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on June 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

3. Share Capital

(a) Authorized

Unlimited number of Class A preference shares

Class A Preference shares are issuable in one or more series, the terms of which are subject to the discretion of the directors at the date of issuance.

Unlimited number of Common shares

(b) Issued

	Number of Common Shares	Stated Value
Balance, May 31, 2007	45,698,186	\$ 26,644,380
Exercise of warrants	381,143	667,000
Fair market valuation on exercise of warrants	-	376,569
Exercise of stock options	35,000	31,500
Fair market valuation on exercise of stock options	-	31,465
Balance, August 31, 2007	46,114,329	\$ 27,750,914

(c) Warrants

The following summarizes the warrant activity for the period:

	Number of Warrants	Weighted Average Price
Balance, May 31, 2007	16,514,603	\$ 1.30
Exercised	(381,143)	(1.75)
Balance, August 31, 2007	16,133,460	\$ 1.29

As of August 31, 2007, the following warrants were outstanding:

Expiry Date	Number	Exercise Price	Black-Scholes Value
March 29, 2008	54,415	\$ 0.75	\$ 39,507
April 17, 2008	2,275,000	1.20	1,785,875
May 11, 2008	137,585	0.75	91,907
May 11, 2008	64,000	0.90	51,264
May 11, 2008	1,675,000	1.20	1,314,875
November 28, 2008	984,997	1.30	1,014,547
November 28, 2008	4,942,463	1.75	4,889,156
March 29, 2009	2,560,378	1.00	1,846,033
May 11, 2009	3,439,622	1.00	2,445,571
	16,133,460	\$ 1.29	\$ 13,478,735

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

Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

3. Share Capital (Continued)

(d) Stock Options and Contributed Surplus

The continuity of outstanding options for the purchase of common shares of the Company is as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, May 31, 2007	4,306,516	\$ 1.79
Granted (i) (ii)	250,000	2.85
Exercised	(35,000)	0.90
Balance, August 31, 2007	4,521,516	\$ 1.86

As of August 31, 2007, the following stock options were outstanding:

Expiry Date	Options Outstanding			Options Exercisable	
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options	Weighted average exercise price
December 9, 2007	20,000	0.27	\$ 0.10	20,000	\$ 0.10
March 10, 2010	239,016	2.53	\$ 0.19	239,016	\$ 0.19
April 12, 2010	40,000	2.61	\$ 0.25	40,000	\$ 0.25
October 7, 2010	172,500	3.10	\$ 0.90	172,500	\$ 0.90
April 25, 2011	800,000	3.65	\$ 2.15	600,000	\$ 2.15
July 7, 2011	100,000	3.85	\$ 2.76	75,000	\$ 2.76
July 19, 2011	250,000	3.88	\$ 2.78	187,500	\$ 2.78
December 7, 2011	2,050,000	4.27	\$ 1.80	1,025,000	\$ 1.80
December 8, 2011	300,000	4.27	\$ 1.83	150,000	\$ 1.83
December 13, 2011	300,000	4.28	\$ 1.81	150,000	\$ 1.81
June 4, 2010	200,000	2.76	\$ 2.93	50,000	\$ 2.93
June 25, 2010	50,000	2.81	\$ 2.55	12,500	\$ 2.55
	4,521,516	3.88	\$ 1.86	2,721,516	\$ 1.76

(i) On June 4, 2007 the Company granted 200,000 stock options to a consultant exercisable at \$2.93 per share for three years from the date of the grant. The fair value of the options was estimated using the Black-Scholes pricing option model. The assumptions used for the valuation of these option were: dividend yield of 0%; expected average volatility of 164%; risk-free interest rate of 4.6% and an expected average life of 3 years. Value assigned to the 200,000 options is \$495,600.

(ii) On June 25, 2007 the Company granted 50,000 stock options to a consultant exercisable at \$2.55 per share for three years from the date of the grant. The fair value of the options was estimated using the Black-Scholes pricing option model. The assumptions used for the valuation of these option were: dividend yield of 0%; expected average volatility of 162%; risk-free interest rate of 4.68% and an expected average life of 3 years. Value assigned to the 50,000 options is \$108,450.

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Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

3. Share Capital (Continued)

(d) Stock Options and Contributed Surplus (Continued)

A continuity of contributed surplus and stock option valuations are as follows:

	Cumulative Expense at May 31, 2007	Expensed	Exercised	Expired	Contributed Surplus	Remainder to be Expensed
(1)	\$ 33,701	\$ -	\$ -	\$ -	\$ 33,701	\$ -
(2)	7,320	-	-	-	7,320	-
(3)	208,190	-	(31,465)	-	176,725	-
(4)	1,599,429	71,955	-	-	1,671,384	43,016
(5)	240,268	18,483	-	-	258,751	16,149
(6)	595,352	52,216	-	-	647,568	44,432
(7)	2,415,354	401,294	-	-	2,816,648	682,702
(8)	376,936	63,607	-	-	440,543	107,557
(9)	365,992	66,634	-	-	432,626	109,474
(10)	-	341,065	-	-	341,065	154,535
(11)	-	45,318	-	-	45,318	63,132
(12)	16,087	-	-	-	16,087	-
	\$ 5,858,629	\$ 1,060,572	\$ (31,465)	\$ -	\$ 6,887,736	\$ 1,220,997

	Expiry Date	Number	Exercise Price
(1)	March 10, 2010	239,016	\$ 0.19
(2)	April 12, 2010	40,000	\$ 0.25
(3)	October 7, 2010	172,500	\$ 0.90
(4)	April 25, 2011	800,000	\$ 2.15
(5)	July 7, 2011	100,000	\$ 2.76
(6)	July 19, 2011	250,000	\$ 2.78
(7)	December 7, 2011	2,050,000	\$ 1.80
(8)	December 8, 2011	300,000	\$ 1.83
(9)	December 13, 2011	300,000	\$ 1.81
(10)	June 4, 2010	200,000	\$ 2.93
(11)	June 25, 2010	50,000	\$ 2.55
(12)	Stock Options Expired		

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Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

4. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended August 31,	
	2007	2006
Numerator:		
Loss for the period	\$ (1,193,442)	\$ (799,927)
Denominator:		
Weighted average shares outstanding	45,760,115	26,476,302
Effect of dilutive securities:		
Stock options**	-	-
Warrants**	-	-
Denominator for diluted loss per share	45,760,115	26,476,302
Basic and diluted loss per share	\$ (0.03)	\$ (0.03)

***The Company did not include stock options and warrants in the computation of diluted loss per share as their inclusion would be anti-dilutive.*

5. Related Party Transactions Not Disclosed Elsewhere

- (i) During the period, Directors of the Company were paid \$57,000 (2006 - \$12,000) for their services as Directors and the President of the Company received \$4,500 (2006 - \$4,500) as an expense allowance. The President was also reimbursed for out of pocket expenses that occurred in the normal course of business.
- (ii) As at August 31, 2007, a total of \$36,000 (2006 - \$24,000) was paid to the President of the Company. The Company also paid \$3,000 (2006 - \$12,000) to the Chief Financial Officer of the Company.

These transactions were in the normal course of operations of the Company and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

Continental Precious Minerals Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

(Prepared by Management - Unaudited)

Three Months Ended August 31, 2007

6. Segmented Information

The Company operates in one segment within the mining industry. The Company operates in two territorial segments as it is managed in Canada and conducts its exploration and development activities in Sweden.

	August 31, 2007	May 31, 2007
Canada	\$ 32,240,590	\$ 32,804,413
Sweden	3,641,194	2,279,268
Total Assets	\$ 35,881,784	\$ 35,083,681

7. Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations.

8. Commitment

The Company is committed to pay a management salary of \$12,000 per month to the President of the Company, in addition to a monthly expense allowance of \$1,500.

9. Comparative Information

Certain comparative figures have been reclassified in order to conform with current period financial statement presentation.

10. Subsequent Event

After the period end, 1,250,000 warrants were exercised raising \$1,500,000 for the Company.