CONTINENTAL PRECIOUS MINERALS INC.

(A DEVELOPMENT STAGE ENTERPRISE)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2008

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management’s Responsibility for Financial Reporting

The accompanying unaudited interim consolidated financial statements of Continental Precious Minerals Inc. (A Development Stage Enterprise) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the May 31, 2008 audited consolidated financial statements. Only changes in accounting policies have been disclosed in these unaudited interim consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the period end unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the period end unaudited interim consolidated financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the period end unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

Interim Consolidated Balance Sheets

(Expressed in Canadian Dollars)

(Prepared by Management - Unaudited)

	August 31, 2008	May 31, 2008
Assets		
Current assets		
Cash and cash equivalents	**$ 209,267**	$ 323,674
Marketable securities	**32,009**	44,986
Short-term investments	**27,106,389**	28,132,776
Accounts receivable	**28,588**	10,921
Prepaid expenses	**7,773**	12,600
	27,384,026	28,524,957
Mineral property (Note 5)	**9,195,501**	8,278,830
Technology licence	**80,000**	80,000
	$ 36,659,527	$ 36,883,787
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 346,998**	$ 312,511
Shareholders' equity		
Share capital (Note 6(b))	**30,509,577**	30,509,577
Warrants (Note 6(c))	**10,195,308**	10,195,308
Contributed surplus (Note 6(d))	**12,769,734**	12,748,739
Deficit	**(17,146,971)**	(16,880,312)
Accumulated other comprehensive loss	**(15,119)**	(2,036)
	36,312,529	36,571,276
	$ 36,659,527	$ 36,883,787

Nature of Operations (Note 1)
Contingency (Note 10)
Commitment (Note 11)

Approved by the Board of Directors:

"Edward Godin" , Director *"Patricia Sheahan"* , Director
Name Name

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

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

Interim Consolidated Statements of Loss

(Expressed in Canadian Dollars)

(Prepared by Management - Unaudited)

	Three Months Ended August 31, **2008**	Three Months Ended August 31, 2007	Cumulative since inception of Uranium project March 21, 2005 to August 31, 2008
Expenses			
Consulting fees	**$ 60,000**	$ 32,250	$ 481,250
Director fees (Note 8)	**45,000**	57,000	419,500
Management compensation (Note 8)	**86,000**	37,500	617,317
Office and general	**29,345**	36,718	295,490
Professional fees	**44,444**	94,334	567,058
Shareholder relations	**14,762**	20,972	148,841
Stock exchange fees	**2,000**	-	240,227
Transfer agent fees	**9,805**	(8,792)	132,757
Travel and business development	**192,411**	167,495	1,683,911
Stock based compensation (Note 6(d))	**20,995**	1,060,572	10,745,581
	504,762	1,498,049	15,331,932
Net operating loss before the following:	**(504,762)**	(1,498,049)	(15,331,932)
Interest and other income	**238,103**	304,607	2,209,021
Recovery of management fees	-	-	(105,000)
Gain on sale of marketable securities	**-**	-	31,408
Gain on sale of subsidiary	**-**	-	100
Write-down of marketable securities	**-**	-	(12,825)
Write-off of investment in Ekwan Technology Corporation	**-**	-	130,439
	238,103	304,607	2,253,143
Net loss for the period	**(266,659)**	(1,193,442)	(13,078,789)
Loss per share (Note 7)			
Basic and diluted	**$ (0.01)**	$ (0.03)	

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

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Prepared by Management - Unaudited)

	Three Months Ended August 31, **2008**	Three Months Ended August 31, 2007	Cumulative since inception of Uranium project March 21, 2005 to August 31, 2008
Net loss for the period	**$ (266,659)**	$ (1,193,442)	$ (13,078,789)
Other comprehensive loss			
Net unrealized loss on available-for-sale marketable securities	**(13,083)**	(28,415)	(35,642)
Reclassification of gain on available-for-sale marketable securities	**-**	-	(10,575)
Total comprehensive loss	**$ (279,742)**	$ (1,221,857)	$ (13,125,006)

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

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Prepared by Management - Unaudited)

	Three Months Ended August 31, **2008**	Three Months Ended August 31, 2007	Cumulative since inception of Uranium project March 21, 2005 to August 31, 2008
Cash and Cash Equivalents (Used in) Provided by:			
Operating Activities			
Net loss for the period	**$ (266,659)**	$ (1,193,442)	$ (13,078,789)
Adjustments for non-cash items:			
Stock based compensation (Note 6(d))	**20,995**	1,060,572	10,745,581
Write-down of marketable securities	**-**	-	12,825
Gain on sale of marketable securities	**-**	-	(31,408)
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	**(17,667)**	(6,203)	84,179
Prepaid expenses	**4,827**	5,308	(7,773)
Accounts payable and accrued liabilities	**34,487**	229,791	340,261
	(224,017)	96,026	(2,065,663)
Investing Activities			
Purchase of marketable securities	**(106)**	(133)	(1,861)
Proceeds from sale of marketable securities	**-**	-	42,635
Short-term investments	**1,026,387**	(5,104,474)	(27,106,389)
Expenditures on mineral properties	**(916,671)**	(1,361,926)	(9,153,500)
Proceeds on sale of subsidiary	**-**	-	100
	109,610	(6,466,533)	(36,219,015)
Financing Activities			
Proceeds from issuance of share capital (net of share issue costs)	**-**	698,500	38,291,986
(Decrease) increase in cash and cash equivalents during the period	**(114,407)**	(5,672,007)	7,308
Cash and cash equivalents, beginning of period	**323,674**	6,782,661	201,959
Cash and cash equivalents, end of period	**$ 209,267**	$ 1,110,654	$ 209,267
Supplement Schedule of Non-Cash Transactions			
Shares issued as part of acquisition of mineral properties	**$ -**	$ -	$ 42,000
Shares issued as part of acquisition of technology license	**$ -**	$ -	$ 80,000
Interest paid	**$ 1,008**	$ 1,250	$ 5,940

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

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

Interim Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

(Prepared by Management - Unaudited)

	Share Capital Number of Common Shares	Share Capital Stated Value	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, June 1, 2007	45,698,186	$ 26,644,380	$ 13,855,304	$ 5,858,629	$ (11,543,933)	$ -	$ 34,814,380
Exercise of warrants	1,823,143	2,311,000	-	-	-	-	2,311,000
Fair value of warrants exercised	-	1,489,232	(1,489,232)	-	-	-	-
Exercise of stock options	55,000	33,500	-	-	-	-	33,500
Fair value of options exercised	-	31,465	-	(31,465)	-	-	-
Fair value of warrants expired	-	-	(2,170,764)	2,170,764	-	-	-
Fair value of options expensed	-	-	-	4,750,811	-	-	4,750,811
Cumulative transition adjustment	-	-	-	-	-	31,098	31,098
Net unrealized loss on available-for-sale marketable securities	-	-	-	-	-	(22,559)	(22,559)
Reclassification of gain on available-for-sale marketable securities	-	-	-	-	-	(10,575)	(10,575)
Net loss for the year	-	-	-	-	(5,336,379)	-	(5,336,379)
Balance, May 31, 2008	47,576,329	30,509,577	10,195,308	12,748,739	(16,880,312)	(2,036)	36,571,276
Fair value of options expensed	-	-	-	20,995	-	-	20,995
Net unrealized loss on available-for-sale marketable securities	-	-	-	-	-	(13,083)	(13,083)
Net loss for the period	-	-	-	-	(266,659)	-	(266,659)
Balance, August 31, 2008	**47,576,329**	**$ 30,509,577**	**$ 10,195,308**	**$ 12,769,734**	**$ (17,146,971)**	**$ (15,119)**	**$ 36,312,529**

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

Interim Consolidated Statements of Mineral Properties
(Expressed in Canadian Dollars)
(Prepared by Management - Unaudited)

	Three Months Ended August 31, **2008**	Three Months Ended August 31, 2007	Cumulative since inception of Uranium project March 21, 2005 to August 31, 2008
Sweden Uranium Project**			
Balance, beginning of period	**$ 8,278,830**	$ 2,199,268	$ -
Drilling	**249,811**	414,584	3,658,173
Consulting	**188,968**	284,999	1,665,085
Geology	**63,711**	27,384	822,077
Assays, maps and reports	**112,672**	50,498	675,593
General	**117,082**	-	439,563
Exploration management	**36,944**	-	261,022
Transportation	**42,160**	9,116	260,520
Licence acquisition and holding costs	**5,145**	548,129	627,852
Travel and meals	**62,887**	454	245,705
Acquiring data, selecting targets, map preparation and landowner data	**-**	17,825	314,664
Professional fees	**10,605**	8,937	120,379
Geophysics and geochemical	**26,686**	-	43,038
Data management	**-**	-	28,080
Equipment	**-**	-	33,750
Activity during the period	**916,671**	1,361,926	9,195,501
Balance, end of period	**$ 9,195,501**	$ 3,561,194	$ 9,195,501

*** For a description of the above noted property, please refer to Note 5 of the May 31, 2008 audited consolidated financial statements.*

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

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 mineral properties for Uranium. As a result, the efforts of the Company have been devoted to the development of properties for production of Uranium in Sweden. To date, Continental has not earned significant revenues from Uranium exploration and is considered to be in the development stage. As such, the Company will be applying Accounting Guideline 11 "Enterprises in the Development Stage" from March 21, 2005 onwards.

As at August 31, 2008, the Company had working capital of $27,037,028 and an accumulated deficit of $(17,146,971). Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its mineral property expenditures is dependent on management's ability to manage its cash resources.

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. 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 considered necessary for a fair presentation have been included. Operating results for the three months ended August 31, 2008 may not necessarily be indicative of the results that may be expected for the year ending May 31, 2009.

The consolidated balance sheet at May 31, 2008 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 annual 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 audited consolidated financial statements for the year ended May 31, 2008, except as noted below. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended May 31, 2008.

2. Accounting Policies (Continued)

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on June 1, 2008.

Capital Disclosures

Handbook 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 Company has included disclosures recommended by the new Handbook section in Note 3 to these unaudited interim consolidated financial statements.

Financial Instruments

Handbook 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 has included disclosures recommended by the new Handbook section in Note 4 to these unaudited interim consolidated financial statements.

Going Concern

In June 2007, the CICA amended Handbook Section 1400, Going Concern, to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. Section 1400 is effective for interim and annual reporting periods beginning on or after January 1, 2008. The Company disclosure reflects such assessment.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

Goodwill and Intangible Assets

In November 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets.

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

3. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of its projects. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and development stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess the exploration and development potential of its existing projects and new projects and seek to explore and develop its existing projects and acquire an interest in additional projects if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended August 31, 2008. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

4. Financial Risk Factors

The Company’s sole mineral property is the Sweden Uranium Project. Unless the Company acquires or develops additional significant properties, the Company will be entirely dependent upon this project. If no additional mineral properties are acquired by the Company, any adverse development affecting this project would have a material adverse effect on the Company's financial condition and results of operations.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, short-term investments and accounts receivable. Cash and cash equivalents and short term investments consist of investment-grade short-term guaranteed investment certificates, which have been invested with the Company's banking institution, from which management believes the risk of loss to be minimal.

Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada. Accounts receivable are in good standing as of August 31, 2008. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

<u>Liquidity Risk</u>

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2008, the Company had cash and cash equivalents and short term investments of $27,315,656 (May 31, 2008 - $28,456,450) to settle current liabilities of $346,998 (May 31, 2008 - $312,511). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

4. Financial Risk Factors (Continued)

Market Risk

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates, commodity prices and mineral properties.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its bank.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operational, exploration and development expenses in Swedish krona from its Canadian dollar bank accounts held in Canada. Management monitors the foreign exchange risk derived from currency conversions and does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to uranium to determine the appropriate course of action to be taken by the Company.

4. Financial Risk Factors (Continued)

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and cash equivalents and short term investments as held for trading, which are measured at fair value. Marketable securities are classified for accounting purpose as available for sale, which are measured at fair value. Accounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair market value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair market value.

As of August 31, 2008, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

(i) Cash and cash equivalents and short-term investments include deposits at call which are at variable rates. As at August 31, 2008, if interest rates had changed by 1% with all other variables held constant, interest income from cash and cash equivalents and short-term investments would have varied by $66,300.

(ii) The Company is exposed to foreign currency risk on Canadian-US dollar exchange rate fluctuations related to cash and cash equivalents that are denominated in US dollars. As at August 31, 2008, had the US dollar changed by 5% against the Canadian dollar with all other variables held constant, the Company’s loss for the three months ended August 31, 2008 would have varied by $43 as a result of foreign exchange variance on translation of cash and cash equivalents that are denominated in US dollars. Similarly, as at August 31, 2008, shareholders' equity would have changed by approximately $43 had the US dollar varied by 5% as a result of foreign exchange variances on translation of cash and cash equivalents that are denominated in US dollars.

(iii) Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of uranium. The price of Uranium has fluctuated widely in recent years. There is no assurance that, even if commercial quantities of uranium may be produced in the future, a profitable market will exist for them. A decline in the market price of uranium may also require the Company to reduce its mining rights and deferred exploration expenditures, which could have a material and adverse effect on the Company’s value. As of August 31, 2008, the Company is not a uranium producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(Expressed in Canadian Dollars)

5. Mineral property

On a quarterly basis, management of the Company reviews exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. For a description of the exploration licenses and deferred exploration expenditures of the Company, refer to Note 5 of the audited financial statements as at May 31, 2008. Specific changes to exploration licenses and deferred exploration expenditures that occurred from June 1, 2008 are as follows:

On June 24, 2008, the Company was granted two additional mineral exploration licenses in Sweden; and on September 3, 2008, the Company was granted one additional mineral exploration license in Sweden. These licenses are valid for three years renewable subject to specified work carried out. Continental now has a total of 69 mineral exploration licenses in Sweden.

6. 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 and August 31, 2008	**47,576,329**	**$ 30,509,577**

(c) Warrants

The following summarizes the warrant activity for the period:

	Number of warrants	Weighted average exercise price
Balance, May 31 and August 31, 2008	**11,927,460**	**$ 1.34**

As of August 31, 2008, the following warrants were outstanding:

Expiry Date	Number of warrants	Exercise price ($)	Black-Scholes value ($)
November 28, 2008	984,997	1.30	1,014,547
November 28, 2008	4,942,463	1.75	4,889,157
March 29, 2009	2,560,378	1.00	1,846,033
May 11, 2009	3,439,622	1.00	2,445,571
	11,927,460	**1.34**	**10,195,308**

(Expressed in Canadian Dollars)

6. 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 and August 31, 2008	**5,841,516**	**1.92**

As of August 31, 2008 the following stock options were outstanding:

	Options Outstanding			Options Exercisable	
Expiry Date	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
March 10, 2010	239,016	1.52	0.19	239,016	0.19
April 12, 2010	40,000	1.61	0.25	40,000	0.25
October 7, 2010	172,500	2.10	0.90	172,500	0.90
April 25, 2011	800,000	2.65	2.15	800,000	2.15
July 7, 2011	100,000	2.85	2.76	100,000	2.76
July 19, 2011	250,000	2.88	2.78	250,000	2.78
December 7, 2011	2,050,000	3.27	1.80	2,050,000	1.80
December 8, 2011	300,000	3.27	1.83	300,000	1.83
December 13, 2011	300,000	3.28	1.81	300,000	1.81
June 4, 2010	200,000	1.76	2.93	200,000	2.93
June 25, 2010		50,000	1.82	2.55	
37,500	2.55				
October 22, 2012	1,230,000	4.15	2.15	1,230,000	2.15
March 6, 2013	75,000	4.52	0.98	75,000	0.98
March 25, 2013	35,000	4.57	0.85	35,000	0.85
	5,841,516	**3.19**	**1.92**	**5,829,016**	**1.91**

Continental Precious Minerals Inc.

(A Development Stage Enterprise)

(Expressed in Canadian Dollars)

Notes to Interim Consolidated Financial Statements

Three Months Ended August 31, 2008

6. 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, 2008	Expensed	Exercised	Expired	Contributed surplus	Remainder to be expensed
(1)	$ 33,701	$ -	$ -	$ -	$ 33,701	$ -
(2)	7,320	-	-	-	7,320	-
(3)	176,725	-	-	-	176,725	-
(4)	1,714,400	-	-	-	1,714,400	-
(5)	274,900	-	-	-	274,900	-
(6)	692,000	-	-	-	692,000	-
(7)	3,488,155	11,195	-	-	3,499,350	-
(8)	546,096	2,004	-	-	548,100	-
(9)	538,880	3,220	-	-	542,100	-
(10)	443,400	-	-	-	443,400	-
(11)	85,962	4,576	-	-	90,538	6,212
(12)	2,460,000	-	-	-	2,460,000	-
(13)	71,474	-	-	-	71,474	-
(14)	28,875	-	-	-	28,875	-
(15)	2,186,851	-	-	-	2,186,851	-
	$ 12,748,739	$ 20,995	$ -	$ -	$ 12,769,734	$ 6,212

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) October 22, 2012	1,230,000	2.15
(13) March 6, 2013	75,000	0.98
(14) March 25, 2013	35,000	0.85
(15) Stock Options Expired		
	5,841,516	**1.92**

(Expressed in Canadian Dollars)

7. Loss Per Share

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

	Three months Ended August 31, 2008	Three months Ended August 31, 2007
Numerator:		
Loss for the period	**$ (266,659)**	$ (1,193,442)
Denominator:		
Denominator for basic loss per share	**47,576,329**	45,760,115
Effect of dilutive securities:		
Stock options**	**-**	-
Warrants**	**-**	-
Denominator for diluted loss per share	**47,576,329**	45,760,115
Basic and diluted loss per share	**$ (0.01)**	$ (0.03)

*** Stock options and warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.*

(Expressed in Canadian Dollars)

8. Related party transactions not disclosed elsewhere

(i) Included in accounts payable and accrued liabilities are fees totaling $3,000 (May 31, 2007 - $3,000) payable to the Company's chief financial officer.

(ii) During the period, the Company paid $45,000 (August 31, 2007 - $57,000) in fees to directors for their services.

(iii) During the period, a total of $86,000 (August 31, 2007 - $36,000) was paid as management compensation to the President and CEO of the Company.

(iv) During the period, the President of the Company received $4,500 (August 31, 2007 - $4,500) as an expense allowance.

(iv) During the period, the Company paid $Nil (August 31, 2007 - $3,000) to the chief financial officer.

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.

9. 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 activities in Sweden.

	August 31 2008	May 31 2008
Canada	$ 27,464,026	$ 28,524,957
Sweden	$ 9,275,501	$ 8,358,830
Total assets	**$ 36,739,527**	**$ 36,883,787**

10. 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.

11. Commitment

The Company is committed to pay a management fee of $12,000 per month to President of the Company. The President is also entitled to an expense allowance of $1,500 per month.