

INDICATOR MINERALS INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED FEBRUARY 29, 2008

In Canadian Funds

(Unaudited)

Notice

No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of the Company for the period ended February 29th, 2008 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 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 auditor.

Indicator Minerals Inc.
(An Exploration Stage Company)
Interim Balance Sheets

Canadian Funds
(Unaudited)

	February 29, 2008 (Unaudited)	November 30, 2007 (Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 1,744,105	\$ 2,938,090
Short term investments	1,017,499	1,010,966
Cash calls receivable	256,676	447,096
Marketable securities	33,750	32,500
GST receivable	148,242	171,556
Prepaid expenses	45,027	28,239
	<u>3,245,299</u>	<u>4,628,447</u>
Permits	332,024	332,024
Property and Equipment	150,637	120,298
Resource Property Costs (Note 4) – Schedule	7,983,485	7,178,510
	<u>\$ 11,711,445</u>	<u>\$ 12,259,279</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 59,339	\$ 311,903
Nature of Operations and Going Concern (Note 1)		
SHAREHOLDERS' EQUITY		
Share Capital (Note 5)	15,922,593	17,355,633
Contributed Surplus (Note 6)	3,631,609	3,601,109
Accumulated other comprehensive loss	6,250	5,000
Deficit - Statement 2	(7,908,346)	(9,014,366)
	<u>11,652,106</u>	<u>11,947,376</u>
	<u>\$ 11,711,445</u>	<u>\$ 12,259,279</u>

ON BEHALF OF THE BOARD:

"Bruce Counts", President & CEO, Director

"Sean Mager", Director

Indicator Minerals Inc.
(An Exploration Stage Company)
Interim Statements of Loss and Deficit
For the Three Months Ended February 29

Statement 2

Canadian Funds
(Unaudited)

	2008	2007
Expenses		
Advertising and promotion	\$ 27,383	\$ 68,515
Amortization	9,593	7,754
Conference and meetings	75,098	59,916
Corporate listing and filing fees	6,200	7,200
Investor relations	(6,604)	17,238
Office and administration	26,562	16,402
Professional fees	29,067	24,177
Rent	20,538	11,174
Stock-based compensation <i>(Note 5e)</i>	30,500	12,436
Transfer agent fees	1,764	1,153
Wages and consulting fees	138,680	108,989
Loss before the undernoted	358,781	334,954
Other Income (Expenses)		
Operator's fees	999	6,150
Interest	30,762	9,199
Write-off of leasehold improvements	-	-
Write-off of resource property costs <i>(Note 4a)</i>	-	(17,047)
	31,761	(1,778)
Loss before income taxes	(327,020)	(336,732)
Future income tax recovery <i>(Note 5f)</i>	1,433,040	382,173
Net income (loss) for the period	1,106,020	45,441
Transition adjustment to opening balance – other comprehensive income <i>(Note 2c)</i>		2,500
Deficit - Beginning of Period	(9,014,366)	(7,402,842)
Deficit - End of Period	\$ (7,908,346)	\$ (7,354,901)
Basic and Diluted income (loss) per Share	\$ 0.02	\$ 0.00
Weighted Average Number of Shares Outstanding	59,941,702	49,036,665

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)
Interim Statement of Comprehensive Income
For the Three Months Ended February 29

Statement 3

Canadian Funds
(Unaudited)

	2008	2007
Net income for the period before comprehensive income	\$	\$ 45,441
Unrealized gain/loss on available for sale investments	1,250	-
Comprehensive income	\$ 1,250	\$ 45,441

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)
Interim Statements of Cash Flows
For the Three Months Ended February 29

Statement 4

Canadian Funds
(Unaudited)

	2008	2007
Cash Flows from Operating Activities		
Net income (loss) for the period	\$ 1,106,020	\$ 45,441
Items not affected by cash:		
Future income tax recovery	(1,433,040)	(382,173)
Stock-based compensation	30,500	12,436
Amortization	9,593	7,754
Write-off of leasehold improvements	-	-
Write-off of resource property costs	-	17,047
	(286,927)	(299,495)
Change in non-cash working capital:		
Cash calls receivable	190,420	(20,419)
GST receivable	23,314	(2,702)
Short term investments	(6,533)	153,579
Prepaid expenses	(16,788)	(9,096)
Accounts payable and accrued liabilities	(252,564)	87,884
	(349,078)	(90,249)
Cash Flows from Investing Activities		
Increase in property and equipment, net	(40,112)	(18,512)
Decrease in permits and bonds	-	517
Resource property costs	(804,795)	(78,974)
Resource property costs recovered	-	667,868
	(844,907)	570,899
Cash Flows from Financing Activities		
Issuance of share capital, net	-	77,872
	-	77,872
Net Increase (Decrease) in Cash	(1,193,985)	558,522
Cash and Cash Equivalents- Beginning of Period	2,938,090	555,962
Cash and Cash Equivalents - End of Period	\$ 1,744,105	\$ 1,114,484

Supplemental Schedule of Non-Cash Investing and Financial Activities

Cash calls receivable, accounts payable and accrued liabilities and amounts due to related parties included in resource property costs	\$ -	\$ 242,652
Fair value of stock based compensation relating to options exercised	\$ -	\$ 18,989
Issuance of shares for property	\$ -	\$ -

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)

Statement 5

Interim Statement of Changes in Shareholders' Equity
For the Three Months Ended February 29 and the year ended
November 30, 2007

Canadian Funds
(Unaudited)

	February 29, 2008 (Unaudited)	November 30, 2007 (Audited)
Share capital		
Balance – beginning of period	\$ 17,355,633	\$ 12,397,731
Issued during the period	-	5,340,075
Flow-through income tax renunciation	<u>(1,433,040)</u>	<u>(382,173)</u>
Balance – end of period	\$ 15,922,593	\$ 17,355,633
Contributed surplus		
Balance – beginning of period	\$ 3,601,109	\$ 2,867,328
Fair value of share purchase warrants issued in private placement	-	407,537
Fair value of stock-based compensation on options vested	30,500	381,411
Fair value of stock option recognized on exercise	-	<u>(55,167)</u>
Balance – end of period	\$ 3,631,609	\$ 3,601,109
Deficit		
Balance – beginning of period	(9,014,366)	\$ (7,402,842)
Transitional adjustment to opening balance of other comprehensive income		2,500
Net income for the period	1,106,020	<u>(1,614,024)</u>
Balance – end of period	(7,908,346)	\$ (9,014,366)
Accumulated other comprehensive income (loss)		
Balance – beginning of year	5,000	-
Transitional adjustment to opening balance	-	\$ (2,500)
Unrealized gain/loss on available for sale investments	1,250	<u>7,500</u>
Balance – end of period	6,250	\$ 5,000
TOTAL SHAREHOLDERS' EQUITY	11,652,106	\$ 11,947,376

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)
Interim Schedule of Resource Property Costs

Schedule

Canadian Funds
(Unaudited)

	For the Three Months Ended February 29, 2008 (Unaudited)			For the Year Ended November 30, 2007 (Audited)		
	Acquisition Costs	Deferred Exploration	Total	Acquisition Costs	Deferred Exploration	Total
Mineral Interests						
Hunter Properties						
Acquisition costs	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Claims and staking	293,427	-	293,427	48,648	-	48,648
Analytical and sampling	-	1,590	1,590	-	283,773	283,773
Airborne geophysics	-	22,403	22,403	-	320,655	320,655
Salaries and consulting fees	-	19,475	19,475	-	70,888	70,888
Fieldwork	-	(7,838)	(7,838)	-	1,221,776	1,221,776
Recovery of costs	-	-	-	-	(667,868)	(667,868)
	293,427	35,630	329,057	388,776	903,620	1,292,396
Committee Bay Properties						
Acquisition costs	-	-	-	9,052	-	9,052
Claims and staking	65,819	-	65,819	111,001	-	111,001
Analytical and sampling	-	4,071	4,071	-	12,095	12,095
Consulting	-	6,265	6,265	-	18,433	18,433
Fieldwork	-	1,621	1,621	-	142,472	142,472
	65,819	11,957	77,776	120,053	173,000	293,053
Indicator Property						
Claims and staking	295,800	-	295,800	155,076	-	155,076
Analytical and sampling	-	74,687	74,687	-	94,184	94,184
Consulting	-	12,438	12,438	-	20,116	20,116
Fieldwork	-	1,256	1,256	-	117,226	117,226
	295,800	88,381	384,181	155,076	231,525	386,601
Generative						
Claims and staking	-	-	-	2,250	-	2,250
Analytical and sampling	-	-	-	-	7,649	7,649
Airborne geophysics	-	-	-	-	6,900	6,900
Consulting	-	13,364	13,364	-	42,940	42,940
Fieldwork	-	597	597	-	26,365	26,365
	-	13,961	13,961	2,250	83,855	86,105
Resource Costs for the Period	655,046	149,929	804,975	376,027	1,717,604	2,093,631
Mineral Property Costs Written Off (Note 5a)	-	-	-	(148,967)	(242,610)	(391,577)
Costs, Beginning of the Period	1,872,748	5,305,762	7,178,510	1,645,688	3,830,768	5,476,456
Balance, End of the Period	\$ 2,527,794	\$ 5,455,691	\$ 7,983,485	\$ 1,872,748	\$ 5,305,762	\$ 7,178,510

- See Accompanying Notes -

Indicator Minerals Inc.

(An Exploration Stage Company)

Notes to Interim Financial Statements

February 29, 2008

*Canadian Funds
(Unaudited)*

1. Nature of Operations and Going Concern

Indicator Minerals Inc. ("Indicator" or the "Company") is an exploration stage enterprise and is currently exploring its mineral interests in Nunavut, Canada in order to bring the properties to the extraction and processing stage. The Company is listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol IME.

The Company is an exploration stage company that engages principally in the acquisition, exploration and development of mineral properties. As an exploration stage company, it is currently unable to self-finance its operations. As discussed in the following notes to the financial statements, the recovery of the Company's investment in its resource properties and attainment of profitable operations is dependent upon the discovery, development and sale of diamond reserves, the ability to joint venture or sell its resource properties and the ability to raise sufficient capital to finance this operation. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used. The adjustments could be material.

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has a history of operating losses and has an accumulated deficit of \$ 7,908,346 at February 29, 2008 (November 30, 2007 - \$9,014,366).

2. Significant Accounting Policies

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and follow the same accounting policies and methods of their application as the most recent annual financial statements except that the Company has adopted the following CICA guidelines effective for the Company's first quarter commencing December 1, 2007. These interim financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual financial statements and accordingly, the interim financial statements should be read in conjunction with the audited financial statements and notes thereto of the Company as at November 30, 2007.

New Accounting Policies

a) Section 3855 - Financial Instruments - Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value. All of the investments have been designated as available for sale.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

2. Significant Accounting Policies - Continued

b) Section 1530 - Comprehensive Income. Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net income (loss) until realized.

c) Transition adjustment to opening balance: The adoption of Sections 1530 and 3855 impacts the opening equity and losses of the Company. The unrealized loss on the available for sale securities from purchase to November 30, 2006 was \$2,500 which is reported as an adjustment to the opening balance of accumulated other comprehensive income. There was no unrealized gain or loss on the available for sale securities for the three months ended February 28, 2007. There is no tax impact resulting from adjustments arising from comprehensive income.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, cash calls receivable, marketable securities, GST payable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The Company has a concentration of cash calls receivable from one joint exploration partner such that substantially all cash calls receivable are from a single entity. The Company has experienced no bad debts resulting from transactions with this entity.

4. Resource Property Costs:

a) Details are as follows:

At February 29, 2008

	Acquisition Costs	Exploration Costs	Balance as at February 29, 2008
Hunter Properties, Nunavut Canada	\$ 1,503,364	\$ 4,555,187	\$ 6,058,551
Committee Bay Properties, Nunavut, Canada	405,817	521,746	927,563
Indicator Properties, Nunavut, Canada	618,613	364,797	883,410
General	-	13,961	13,961
	\$ 2,527,794	\$ 5,455,691	\$ 7,983,485

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

4. Resource Property Costs - Continued:

At November 30, 2007

	Acquisition Costs	Exploration Costs	Balance as at November 30, 2007
Hunter Properties, Nunavut Canada	\$ 1,209,937	\$ 4,519,557	\$ 5,729,494
Committee Bay Properties, Nunavut, Canada	339,998	509,789	849,787
Indicator Properties, Nunavut, Canada	322,813	276,416	599,229
	\$ 1,872,748	\$ 5,305,762	\$ 7,178,510

In November 2007, the Company did not renew the permits on certain claims. Accordingly, the Company's resource property costs were written down effective November 30, 2007. Details of the write-offs are as follows:

	Acquisition Costs	Exploration Costs	Total Written Down as at November 30, 2007
Hunter Property, Nunavut, Canada	\$ 146,717	\$ 158,755	\$ 305,472
General	2,250	83,855	86,105
	\$ 148,967	\$ 242,610	\$ 391,577

b) Hunter Property

General

On February 26, 2004, the Company entered into a letter agreement to acquire an 80% interest in the diamond rights to several parcels of land that total 3,298,437 acres from Hunter Exploration Group ("Hunter"), an arms length party. Hunter retains a 20% carried interest in the properties until a feasibility study is completed. The properties consist of 54 prospecting permits and 24 mineral claims located near the communities of Kugaaruk and Taloyoak in Nunavut Territory. As consideration for the properties, Indicator issued 3,000,000 common shares at a price of \$0.40 per share and reimbursed Hunter \$1,056,678 (plus \$63,433 GST) for property acquisition costs and \$242,780 for work deposits on the permits. The outstanding conditions were cleared and the deal was closed effective July 19, 2004. In addition, the Company funded a regional diamond exploration program identified by Hunter and also paid Hunter a consulting fee of \$75,000 during the year ended November 30, 2005. The properties are subject to a gross overriding royalty of up to 2%. As of May 1, 2006 Indicator pays an annual advance royalty of \$25,000 (2006 – paid) to each Hunter and to International Royalty Corp., should Indicator elect to retain any of the original properties subject to the Hunter agreement.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

4. Resource Property Costs - Continued:

On March 9, 2005, the TSX Venture Exchange accepted for filing the proposal by the Company to issue 359,193 bonus warrants to Hunter in consideration for the posting of a \$287,355 bond with the Nunavut Mining Recorder. The posting of the bond by Hunter on behalf of Indicator kept the prospecting permits, located near Kugaaruk and Taloyoak in Nunavut, in good standing for an additional one-year period. Under the terms of a letter agreement dated January 26, 2005, the bonus warrants were exercisable by Hunter at a price of \$0.45 per common share until January 26, 2007. Hunter was reimbursed for the bond in August 2005.

Darby

On June 2, 2006 the Company entered into an agreement with Teck Cominco Limited ("Teck Cominco") whereby Teck Cominco has the option to spend \$14 Million over four years, including reimbursement of limited expenditures by the Company on the property prior to June 2, 2006, to earn a 51% interest in the diamond rights on the Company's 80% owned Darby Project which was part of the properties acquired from Hunter in February 2004. The Company had been operating the exploration activities on the Darby properties for Teck Cominco under a service contract that was renewable annually and was incurring the exploration expenditures and being reimbursed by Teck Cominco monthly. The Company was receiving a 10% administrative fee on all disbursements in addition to payment for all overhead directly attributable to the project. As of February 26, 2007, Teck became the operator of the project.

c) Committee Bay Property

The Company and Committee Bay Resources Ltd. (CBR:TSX-V) ("CBR"), a company with directors in common, have finalized agreements for three properties, named Borden, Kellet and TIM. In order to earn a 51% interest in the properties, the Company is required to incur costs equal to or greater than the performance bond required over the term of the subject prospecting permits and to incur the staking costs for the associated mineral claims in the final year of the permits. The Company can then earn a further 19% interest in the properties by spending \$6 per acre (maximum of \$4,153,290) over the first two years after staking the claims. Upon vesting 70%, the Company and CBR will split diamond exploration costs 80/20, so that CBR will effectively have a 10% interest carried to production. The properties included in the agreement are located in the Kivalliq region of Nunavut. The properties are subject to a gross overriding royalty of up to 2%.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

5. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares		
Issued:		
Balance - November 30, 2006	48,979,115	12,397,731
Exercise of share purchase warrants	4,737,587	1,762,169
Future income taxes on renoucement of flow-through shares issued	-	(382,173)
Private placement, net of issuance costs - June 2007	6,000,000	3,452,991
Exercise of stock options	225,000	69,750
Fair value allocation from contributed surplus on exercise of stock options		55,167
Balance – November 30, 2007	59,941,702	17,355,633
Future income taxes on renoucement of flow-through shares issued (note 5f)	-	(1,433,040)
Balance – February 29, 2008	59,941,702	15,922,593

b) **Private Placements**

Private Placement June 2007

During June 2007, the Company completed a brokered private placement. The private placement consisted of 6,000,000 flow-through units at a price of \$0.70 per unit, for total gross proceeds of \$4,200,000, of which \$793,238 was allocated to the fair value of the warrants issued on a prorated basis. Each flow-through unit consists of one common share and one half of one non-transferable share purchase warrant entitling the holder to purchase one common share at \$1.25 per share until December 28, 2008. Agent's fees and expenses relating to the issuance were paid in cash totalling \$317,710 and 420,000 agents warrants were issued which had a fair value of \$152,436. The agents warrants entitle the holder to purchase one common share at \$0.75 to December 28, 2008.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

5. Share Capital - Continued

c) Share Purchase and Agents Warrants:

	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, November 30, 2006	12,359,972	\$0.49
Issued	3,420,000	\$1.19
Exercised	(4,737,587)	\$0.37
Expired without exercise	(2,938,885)	\$0.41
Outstanding warrants, November 30, 2007	8,103,500	\$0.94
Outstanding warrants, February 29, 2008	8,103,500	\$0.94

At February 29, 2008, the following warrants were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life in Years
May 15, 2008	\$0.75	4,683,500	0.21
December 28, 2008	\$0.75	420,000	0.83
December 28, 2008	\$1.25	3,000,000	0.83
Weighted average of exercise price	\$0.94	8,103,500	0.72

The fair value of warrants, assigned proportionally to warrants issued in the June 2007 private placement, were estimated using the Black-Scholes Option Pricing Model with the following range of assumptions:

Estimated risk-free rate	4.64%
Expected volatility	102 %
Estimated annual dividend yield	0.0%
Expected life of warrants	1.5 years

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

5. Share Capital- Continued:

d) Stock Options

The Company has established a stock option plan (the "Plan") for directors, employees, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. No options shall be granted, without regulatory approval, entitling any single individual to purchase in excess of 5% of the then outstanding shares in the Company in any 12 month period and no more than 2% of the optioned shares may be issued to any one consultant in any 12 month period. If the option rights granted under the plan shall expire or terminate for any reason without having been exercised such optioned shares may be made available for other options to be granted under the plan. The shares so reserved by the Board under the Plan shall be authorized but unissued shares.

The options are non-transferable and will expire, if not exercised, immediately upon dismissal by the Company with cause or 90 days following the date the optionee otherwise ceases to be a director, officer, manager, consultant or employee of the corporation for reasons other than death, or one year after the death of an optionee. Pursuant to the policies of the TSX Venture Exchange ("TSXV"), options granted pursuant to the Plan in excess of 10% of the issued and outstanding common shares at the time of the grant must be subject to vesting.

	Number	Weighted Average Exercise Price
Outstanding November 30, 2006	4,897,000	\$0.50
Cancelled	(200,000)	\$0.79
Granted	1,275,000	\$0.41
Exercised	(225,000)	\$0.31
Outstanding November 30, 2007	5,747,000	\$0.48
Granted	200,000	\$0.25
Outstanding February 29, 2008	5,947,000	\$0.48

Three month period ended February 29, 2008 – Grants

The associated stock-based compensation expense of \$30,500 for the options granted during the period were calculated based on the following assumptions:

Estimated risk-free rate (5 year Government of Canada zero coupon bond)	3.00%
Expected volatility	71.98%
Estimated annual dividend yield	0.0%
Expected life of options	5 years

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

5. Share Capital - Continued

e) **Stock Options - Continued**

Fiscal year ended November 30, 2007 - Grants

The associated stock-based compensation expense for the options granted during the year was calculated based on the following range of assumptions:

Estimated risk-free rate (5 year Government of Canada zero coupon bond)	3.82-4.31%
Expected volatility	73.0%-166.45%
Estimated annual dividend yield	0.0%
Expected life of options	5 years

The stock options vest immediately upon issuance except those issued to investor relations consultants whose options vest in the amount of 25% every six months from date of grant. The stock based compensation for those grants not fully vested has been recorded on a straight line basis over the term of the vesting.

At February 29, 2008, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
April 19, 2009	\$0.580	1,149,500	1.14
April 19, 2009	\$0.355	180,000	1.14
November 16, 2009	\$0.355	495,000	1.72
April 25, 2010	\$0.230	225,000	2.16
October 23, 2010	\$0.320	805,000	2.65
December 19, 2010	\$0.275	100,000	2.81
April 11, 2011	\$0.580	360,000	3.12
May 31, 2011	\$0.500	125,000	3.25
August 2, 2011	\$0.750	837,500	3.43
October 1, 2011	\$0.790	25,000	3.59
November 20, 2011	\$0.400	150,000	3.73
March 13, 2012	\$0.450	275,000	4.04
September 17, 2012	\$0.450	1,000,000	4.55
February 28, 2013	\$0.250	200,000	5.00
	\$0.480	5,927,000	3.39

All of the 5,927,000 options issued were fully vested at February 29, 2008.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

5. Share Capital - Continued

f) **Flow-Through Shares**

2007

During the year ended November 30, 2007, the Company issued 6,000,000 flow-through common shares for total proceeds of \$4,200,000 which must be used for qualifying exploration expenditures and was renounced to the flow-through shareholders effective December 31, 2007. The future income tax liability estimated to be \$1,433,040 (by applying the tax statutory rate of 34.12%) resulting from the renunciation of these qualifying expenditures was recorded when the renunciation tax forms were filed, in accordance with the pronouncement of the CICA Emerging Issues Committee. The unspent balance of this flow-through issuance at February 29, 2008 was \$2,533,768 (November 30, 2007 - \$2,832,818) and is included in the Company's cash and cash equivalents.

6. Contributed Surplus

Contributed surplus relates to the recognition of the estimated fair value of stock options and agents warrants as follows:

Balance, November 30, 2007	\$ 3,601,109
Fair value of stock-based compensation on options Vested	30,500
Balance – February 29, 2008	\$ 3,631,609

7. Subsequent Event

Subsequent to February 29, 2008, the following events have occurred:

- a) On March 12, 2008 the Company signed an agreement with Munic Gems N.V. ("Munic Gems") under which Munic Gems will use its best efforts to bring project opportunities to the Company for review with a particular focus on India and Brazil. Munic Gems will retain the following rights on certain projects that they have brought to the Company:
- The right to act as agent on the sale of 50% of the Company's share of diamond production at a commission of 5%
 - A Net Profits Interest (NPI) equal to 5% of the Net Profits, calculated and payable on projects put into production

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Interim Financial Statements

February 29, 2008

Canadian Funds
(Unaudited)

7. Subsequent Event – Continued

Projects acquired or generated by Indicator

The Company will continue to generate and acquire projects through its own efforts. Munic Gems will have the following rights on these projects as long as it earns and maintains a 9.9% ownership interest in the common shares of the Company:

- The right to act as agent on 20% of the Company's share of diamond production at a commission of 5%
- The first right-of-offer to underwrite 100% of the Company's share of debt financing for capital costs incurred after the completion of a bankable feasibility study. In exchange, Munic Gems will have the right to market 100% of the Company's share of diamond production for the term of the debt at a commission of 5%

Under the terms of the Agreement, Munic Gems is required to earn a 9.9% ownership interest in the Company through Private Placement financings at the Company's discretion, beginning with the purchase of 2.5 million units of the Company within 60 days of the Agreement being signed. Each unit will consist of one common share and one warrant to purchase one common share. Each unit in the initial financing will be priced at \$0.29, a 20% premium to the ten-day volume-weighted average of the trading price of the common shares of the Company ending on the day preceding the date of execution of the Agreement. The exercise price of the warrant will be \$0.36, a 50% premium to the ten-day volume weighted average of the trading price of the common shares of the Company ending on the day preceding the date of execution of the Letter Agreement.

Once Munic Gems has earned a 9.9% interest in the Company it will maintain that ownership through the exercise of an anti-dilution right on subsequent financings. Munic Gems will maintain the anti-dilution right so long as it does not skip more than three financings in total and does not skip two consecutively.