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**NEWBRIDGE CAPITAL INC.  
FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
JUNE 30, 2008 AND 2007**

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The accompanying interim consolidated financial statements for the three ended June 30, 2008 have not been reviewed or audited by

## **Management's Responsibility**

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To the Shareholders of Newbridge Capital Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

DATE: August 19, 2008

"Alf Sanderson" (signed)  
Alf Sanderson  
President

"Mark McCooey" (signed)  
Mark McCooey  
Chief Financial Officer

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**NEWBRIDGE CAPITAL INC.****BALANCE SHEETS****(unaudited – prepared by management)**

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	June 30, 2008 (unaudited)	March 31, 2008 (audited)
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$378,085	\$ 379,084
Amounts receivable	4,275	4,228
	<hr/>	<hr/>
	\$382,360	\$ 383,312
	<hr/>	<hr/>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 12,750	\$ 12,750
	<hr/>	<hr/>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 4)	385,201	385,201
CONTRIBUTED SURPLUS (Note 4)	56,933	56,933
DEFICIT	(72,524)	(71,572)
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	369,610	370,562
	<hr/>	<hr/>
	\$382,360	\$ 383,312
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NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS (Note 1)

Approved on behalf of the Board:

"Alf Sanderson" \_\_\_\_\_ Director

"Mark McCooey" \_\_\_\_\_ Director

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

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**NEWBRIDGE CAPITAL INC.****STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT****FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007****(unaudited – prepared by management)**

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	June 30, 2008	June 30, 2007
EXPENSES		
Filing and transfer agent fees	\$ 767	\$ 1,504
Office	185	-
Professional fees	-	1,194
Stock-based compensation	-	-
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NET LOSS AND COMPREHENSIVE LOSS	952	2,698
DEFICIT, BEGINNING OF PERIOD	71,572	5,836
DEFICIT, END OF PERIOD	\$ 72,524	\$ 8,534
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NET LOSS PER SHARE, basic and diluted	\$ 0.000	\$ 0.003
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WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	3,100,000	1,042,857

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

**NEWBRIDGE CAPITAL INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007**  
**(unaudited – prepared by management)**

	June 30, 2008	June 30, 2007
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Net loss	\$ (952)	\$ (2,698)
Item not involving cash:		
Stock-based compensation	-	-
Change in non-cash working capital items		
Amounts receivable	(47)	(1,948)
Accounts payable and accrued liabilities	-	1,031
	(999)	(3,615)
FINANCING ACTIVITIES		
Share capital issued, net	-	10,000
Deferred share issuance costs	-	(28,983)
	-	(18,983)
INCREASE(DECREASE) IN CASH	(999)	(22,598)
CASH, BEGINNING OF PERIOD	379,084	89,176
CASH, END OF PERIOD	\$ 378,085	\$ 66,578
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

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

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**NEWBRIDGE CAPITAL INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED JUNE 30, 2008**

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

Newbridge Capital Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on September 12, 2005. The Company is a "Capital Pool Company" ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange"), and its shares were listed for trading on August 10, 2007.

As at June 30, 2008, the Company has no business operations and its main asset is cash. During the quarter ended June 30, 2008, the Company did not enter into any agreements to acquire an interest in businesses or assets. As a CPC, the Company's principal business is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholders' approval and acceptance by the Exchange. Where an acquisition or participation (the "Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon obtaining additional financing and on entering into a Qualifying Transaction.

Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months from the date its shares were listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company's shares from trading should it not meet these requirements.

**2. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of presentation**

The financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles.

**(b) Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of future income tax assets and liabilities and assumptions used in valuing options in stock-based compensation calculations. Actual results could differ from the estimates and assumptions used.

**(c) Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less at the time of issuance to be cash equivalents.

**(d) Share issue costs**

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

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**NEWBRIDGE CAPITAL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2008**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Stock-based compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

(f) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on temporary differences which arise between the accounting basis and the tax basis of various assets and liabilities, and are measured using substantively enacted tax rates and laws expected to apply when these differences reverse. A valuation allowance is provided for any future income tax assets if it is more likely than not that the asset will not be realized.

(g) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

(h) Financial instruments

As at June 30, 2008, the Company's financial instruments consist of cash and accounts payable. The Company is not exposed to derivative financial instruments. It is management's opinion that the Company is not exposed to significant interest and currency risks arising from its financial instruments and their fair values approximate their carrying values.

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with high credit quality financial institutions.

3. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1506, "Accounting Changes". This section permits accounting policy changes only in the event that a change is made within a primary source of GAAP, or where a change is warranted to provide more relevant and reliable information. All accounting policy changes are to be applied retroactively, unless there is no specific transition provisions or it is impracticable to do so. Any prior period errors identified also require retroactive application. The revised standards did not have any material impact on the Company's financial statements.

Effective April 1, 2007, the Company adopted the recommendations of CICA Handbook Section 1530, "Comprehensive Income" and Section 3855, "Financial Instruments - Recognition and Measurement". These sections provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and derivatives financial instruments. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated.

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**NEWBRIDGE CAPITAL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2008**

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3. CHANGE IN ACCOUNTING POLICIES (continued)

CICA 1530 provides standards for the reporting and presentation of comprehensive income, which represents the net income and other comprehensive income for the period from transactions and other events and circumstances from non-owner sources. Other comprehensive income includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective and are excluded from net income calculated in accordance with Canadian generally accepted accounting principles. The adoption of CICA 1530 did not result in any significant adjustments to the carrying values of the Company's previously recognized financial assets and liabilities at April 1, 2007 and had no impact on opening deficit.

Under CICA 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for sale financial assets or other financial liabilities.

All financial instruments, including derivatives, are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with CICA 3840, "Related Party Transactions". Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for trading financial assets and liabilities are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is impaired or disposed at which time the amounts will be recorded in net income; financial assets classified as held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost, using the effective interest method of amortization. CICA 3855 also requires that transaction costs incurred in connection with issuance of financial instruments either be capitalized and presented as a reduction of the carrying value of the related financial instrument or expensed as incurred. If capitalized, transaction costs must be amortized to income using the effective interest method. CICA 3855 does not permit the restatement of financial statements of prior periods.

The Company classified its financial instruments as follows:

Cash	held-for-trading
Accounts payable	other financial liabilities

In addition, the Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments. The Company did not have any available-for-sale financial assets, held-to-maturity instruments and outstanding contracts with embedded derivatives at April 1, 2007.

The adoption of CICA 3855 did not result in any significant adjustments to the carrying values of the Company's previously recognized financial assets and liabilities at April 1, 2007 and had no impact on opening deficit.

**Recent accounting pronouncements**

In February 2008, the Accounting Standards Board issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces CICA 3062, "Goodwill and Intangible Assets", and CICA 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Company's interim and annual financial statements commencing April 1, 2009. The Company is currently assessing the impact of the new standard and has not yet determined its effect on the Company's financial statements.



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**NEWBRIDGE CAPITAL INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED JUNE 30, 2008**

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## 3. CHANGE IN ACCOUNTING POLICIES (continued)

**Recent accounting pronouncements** (continued)

In May 2007, the Accounting Standards Board issued CICA Handbook Section 3031, "Inventories". CICA 3031 introduces changes to the measurement and disclosure of inventory and converges with international financial reporting standards and is effective for interim and annual periods relating to the Company's fiscal years beginning on or after April 1, 2008. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

In December 2006, the Accounting Standards Board issued CICA Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation" which replace CICA 3861, "Financial Instruments - Disclosure and Presentation". These standards increase the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. These standards carry forward the former presentation requirements and are effective for the Company's fiscal years beginning on or after April 1, 2008. The Company is currently assessing the impact of the new disclosure standard and has not yet determined its impact on the Company's financial statements.

In October 2006, the Accounting Standards Board issued CICA Handbook Section 1535, "Capital Disclosures", which establishes standards for disclosing information about an entity's capital and how it is managed. This standard is effective for interim and annual financial statements for the Company's fiscal years beginning on or after April 1, 2008. The Company is currently assessing the impact of the new standard and has not yet determined its effect on the Company's financial statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

## 4. SHARE CAPITAL

## (a) Authorized

Unlimited common shares without par value.

## (b) Issued and fully paid

	Number of Shares	Amount
Balance, March 31, 2006	-	\$ -
Issued for cash at \$0.10 per share	1,000,000	100,000
Balance, March 31, 2007	1,000,000	100,000
Issued for cash at \$0.10 per share	100,000	10,000
Issued for cash at \$0.20 per share, net	2,000,000	275,201
Balance, March 31, 2008 and June 30, 2008 (unaudited)	3,100,000	\$ 385,201

**NEWBRIDGE CAPITAL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2008**

4. SHARE CAPITAL (continued)

(b) Issued and fully paid

**During the quarter ended June 30, 2008 – No shares were issued.**

**During the year ended March 31, 2008:**

- (i) On May 23, 2007, the Company issued 100,000 common shares at a price of \$0.10 per share for gross proceeds of \$10,000.
- (ii) On July 30, 2007, the Company completed an initial public offering of 2,000,000 common shares at a price of \$0.20 per share for gross proceeds of \$400,000. The Company paid \$50,500 in cash to the agent, comprising commission of \$40,000, administrative fees of \$10,000 and reimbursement of expenses of \$500. The Company also granted the agent 200,000 agent's warrants to acquire 200,000 common shares at an exercise price of \$0.20 per share expiring August 1, 2009. The fair value of these agent's warrants was estimated at \$19,808 using a Black-Scholes option pricing model with the assumptions described below. The Company also incurred other issue costs of \$54,491 in relation to the offering.

**During the year ended March 31, 2007:**

- (iii) On February 19, 2007, the Company issued 1,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$100,000, \$40,000 of which was received in 2006.

c) Warrants

A summary of the changes in the Company's warrants for the years ended March 31, 2008 and 2007 is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2007 and 2006	–	–
Issued on initial public offering	200,000	\$0.20
<b>Balance, March 31, 2008 and June 30, 2008 (unaudited)</b>	<b>200,000</b>	<b>\$0.20</b>

As at March 31, 2008 and June 30, 2008 (unaudited), the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
200,000	\$0.20	August 1, 2009

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**NEWBRIDGE CAPITAL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2008**

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4. SHARE CAPITAL (continued)

c) Warrants (continued)

The Company uses the Black-Scholes option pricing model to calculate the fair value of agent's warrants issued. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted-average assumptions were used:

	2008
Risk-free interest rate	4.66%
Expected dividend yield	—
Expected stock price volatility	89%
Expected life of warrants	2 year

The stock-based compensation in respect of agent's warrants issued in 2008 was \$19,808 and the weighted average fair value was \$0.10 per warrant. There were no agent's warrants issued in 2007.

d) Contributed Surplus

A summary of the changes in the Company's contributed surplus is presented below:

Balance, March 31, 2007 and June 30, 2007 (unaudited)	\$	—
Stock-based compensation – agent's warrants (Note 4(c))		19,808
Stock-based compensation – options (Note 5)		37,125
<u>Balance, March 31, 2008 and June 30, 2008 (unaudited)</u>	<u>\$</u>	<u>56,933</u>

e) Escrow Shares

At June 30, 2008, a total of 1,100,000 common shares issued and outstanding were held in escrow. Pursuant to an escrow agreement, 10% of the escrowed shares will be released on the issuance of the Final Exchange Bulletin for the TSX Venture Exchange's acceptance of a Qualifying Transaction, and 15% will be released every six months thereafter for a period of thirty-six months.

5. STOCK OPTION PLAN

The Company has adopted a stock option plan applicable to directors, employees, and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of the TSX Venture Exchange, and an option's maximum term is three years from the grant date.

**NEWBRIDGE CAPITAL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2008**

5. STOCK OPTION PLAN (continued)

A summary of the changes in the Company's stock options since plan adoption is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2006 and 2007	–	–
Granted	310,000	\$0.20
Balance, March 31, 2008	310,000	\$0.20
Granted, forfeited, expired	--	
Balance, June 30, 2008 (unaudited)	310,000	\$0.20

At June 30, 2008, the Company had 310,000 options outstanding and exercisable with a weighted average contract life remaining of 2.7 years:

Number of Options	Exercise Price	Expiry Date
310,000	\$0.20	August 1, 2010

In 2008, the fair value of the 310,000 options, granted and fully vested on the grant date, has been estimated using the Black-Scholes model to be \$37,125. The amount was expensed to operations as stock-based compensation to directors and was included in contributed surplus (Note 4(d)). For purposes of the calculation, the following weighted average assumptions were used under the Black Scholes option pricing model:

	2008
Risk free interest rate	4.66%
Expected dividend yield	0%
Expected stock price volatility	91%
Expected life of options	3 years

The weighted average fair value of options granted during the year ended March 31, 2008 was \$0.12 per option.

There were no options granted for the year ended March 31, 2007.