Blue Ribbon Capital Corporation
(A capital pool corporation)

Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2008

NOTICE TO READER

The accompanying unaudited interim financial statements have been prepared by the company's management and the company's independent auditors have not performed a review of these financial statements.

Blue Ribbon Capital Corporation

(A capital pool company)
Interim Balance Sheets
(unaudited - see Notice to Reader)

	Note	June 30 2008	Dec 31 2007 (audited)
Assets			
Current			
Cash	4	**$ 41,071**	$ 131,693
Short-term investments		**709,419**	706,257
Amounts receivable		**-**	8,687
Prepaid expenses		**-**	6,417
Deferred qualifying transaction costs	5	**27,418**	-
		$ 777,908	$ 853,054
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 8,999**	$ 31,980
Shareholders' Equity			
Capital stock		**885,948**	885,948
Contributed surplus	6	**149,965**	149,965
Deficit		**(267,004)**	(214,839)
		$ 768,909	$ 821,074
		$ 777,908	$ 853,054

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)
Statement of Operations and Deficit
(unaudited - see Notice to Reader)

	Six Month Period Ended June 30		Three Month Period Ended June 30	
	2008	2007	**2008**	2007
Income				
Interest income	$ **9,162**	$ -	**$ 1,571**	**$ -**
Expenses				
Professional fees	$ **20,770**	$ 3,500	**$ 20,770**	**$** 1,500
General and administrative	**40,556**	5,822	**7,691**	5,832
	61,326	9,322	**28,461**	7,332
Net loss and comprehensive income	**(52,164)**	(9,322)	**(26,890)**	(7,332)
Deficit - beginning of period	**(214,839)**	**-**	**(240,113)**	(2,010)
Deficit – end of period	**$ (267,003)**	$ (9,322)	**$ (267,003)**	**$** (9,333)
Basic and diluted loss per share	**$ (0.02)**	$(0.037)	**$ (0.02)**	$ (0.014)
Weighted average common shares outstanding	**6,050,000**	254,144	**6,050,000**	505,495

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)
Interim Statements of Cash Flows
(unaudited - see Notice to Reader)

	Six Month Period Ended June 30		Three Month Period Ended June 30	
	2008	2007	**2008**	2007
Cash flows from operating activities				
Net loss for the period	**$ (52,164)**	$ (9,332)	**$ (26,890)**	$ (7,332)
Changes in non-cash working capital items				
Amounts receivable	**8,687**	(1,795)	**9,022**	(493)
Prepaid expenses	**6,417**	-	**-**	**-**
Accrued liabilities	**(22,982)**	2,030	**(17,278)**	2,030
	(60,042)	(9,097)	**(35,146)**	(5,785)
Cash flows from financing activities				
Issuance of capital stock	-	100,000	**-**	
Deferred qualifying transaction costs	**(27,418)**	(47,821)	(6,690)	(7,768)
Short-term investments	**(3,162)**	-	4,429	-
	(30,580)	52,179	**(2,261)**	(7,768)
Increase (decrease) in cash during the period	**(90,622)**	43,082	**(37,407)**	(13,553)
Cash at beginning of period	**131,693**	**-**	**78,478**	56,635
Cash at end of period	**$ 41,071**	$ 43,082	**$ 41,071**	$ 43,082

See accompanying notes.

1. NATURE OF THE CORPORATION

Blue Ribbon Capital Corporation (the "Company") is a Capital Pool Company that has not commenced commercial operations and has no assets other than a minimum amount of cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined under the policies of the TSX Venture Exchange (the "Exchange"). The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Ontario) on September 12, 2006.

2. ADOPTION OF NEW ACCOUNTING POLICIES

The disclosures in these interim financial statements do not meet all disclosure requirements of Canadian generally accepted accounting principles ("GAAP") for annual financial statements. These interim financial statements should be read in conjunction with the annual audited financial statements of the Company and the notes thereto.

(i) Effective January 1, 2008, the Company adopted the recommendations of The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 1535, Capital Disclosures ("Section 1535"). The new standard requires an entity to disclose information to enable users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. Disclosure requirements pertaining to Section 1535 are contained in Note 9.

(ii) Effective January 1, 2008, the Company adopted the recommendations of CICA Handbook Section 3862, Financial Instruments - Disclosures ("Section 3862"). Section 3862 provides standards for disclosures about financial instruments, including disclosures about fair value and the credit, liquidity and market risks associated with the financial instruments. Disclosure requirements pertaining to Section 3862 are contained in Note 10.

(iii) Effective January 1, 2008, the Company adopted the recommendations of CICA Handbook Section 3863, Financial Instruments - Presentation ("Section 3863"). Section 3863 provides standards for presentation of financial instruments and non-financial derivatives. Adoption of this standard had no impact on the Company's financial instrument related presentation disclosures.

(iv) Effective January 1, 2008, the Company adopted the recommendations of CICA Handbook Section 1400, General Standards of Financial Statement Presentation, to change the guidance related to management's responsibility to assess the ability of the entity to continue as a going concern. Management is required to make an assessment of an entity's ability to continue as a going concern and should take into account all available information about the future, which is at least, but is not limited to, 12 months from the balance sheet dates. Disclosure is required of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by the Company in accordance with Canadian GAAP used for the annual audited financial statements for the year ended December 31, 2007. There have been no changes to the Company's accounting policies since December 31, 2007.

Recent Accounting Pronouncements Issued and Not Yet Applied

(i) In 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets ("CICA 3064"). CICA 3064, which replaces Section 3062, Goodwill and Intangible Assets, and Section 3450, Research and Development Costs, 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 for periods commencing January 1, 2009. The Company is assessing the impact of the new standard on its financial statements.

(ii) The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011, when IFRS will be fully adopted. The impact of the transition to IFRS on the Company's financial statements is not yet determinable.

4. CASH RESTRICTION

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. DEFERRED QUALIFYING TRANSACTION COSTS

These costs relate directly to the proposed Qualifying Transaction by the Company as disclosed in Note 1. Upon completion of the Qualifying Transaction, these costs will be charged against capital stock.

6. STOCK OPTIONS

(i) Stock options

Stock options were granted pursuant to an agency agreement relating to the initial public offering for the benefit of the agent.

The Company also has a stock option plan. Under the plan, the Company's directors are authorized to grant options to its directors, officers, employees or consultants for the purchase of up to 10% of the issued and outstanding common shares. The Company granted options to directors pursuant to the plan as detailed below.

The Company issued stock options to acquire common shares as follows:

	Number of Options	Weighted Average Exercise Price
Beginning balance	**-**	**$ -**
Granted to directors	**605,000**	**$ 0.20**
Granted to agents	**450,000**	**$ 0.20**
Ending balance at December 31, 2007 (audited) and June 30, 2007	**1,055,000**	**$ 0.20**
Exercisable at year-end	**1,055,000**	**$0.20**

6. STOCK OPTIONS … (cont'd)

The Company had the following stock options outstanding at June 30, 2008:

Number of Options	Exercisable	Exercise Price	Expiry Date
605,000	605,000	$ 0.20	September 14, 2012
450,000	450,000	$ 0.20	September 14, 2009

The above options were not included in the computation of diluted net loss per share as they are anti-dilutive.

(ii) **Stock-Based Compensation**

The fair value of options granted during the year ended December 31, 2007 using the Black-Scholes option pricing model resulted in a stock-based compensation expense of $97,405 for options granted to the directors of the Company, which was also recorded as contributed surplus on the balance sheet. It also resulted in a share issuance cost of $52,560 for options granted to the agent which was also recorded as contributed surplus. The fair value of the options issued in the year has been estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 110%; (iii) risk free interest rate of 4.5%; (iv) expected life of 2 to 5 years for agent options. The Company has assumed no forfeiture rate as adjustments for actual forfeitures are made in the year they occur. The weighted-average grant date fair values of options was $0.16 (directors) and $0.12 (agents).

7. FINANCIAL INSTRUMENTS

The carrying values of cash, short term investments and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

8. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes cash and equity, comprised of issued common shares, contributed surplus and deficit, in the definition of capital.

8. CAPITAL RISK MANAGEMENT … (cont'd)

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4, and there has been no change with respect to the overall capital risk management strategy during the three months ended June 30, 2008.

9. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including interest rate risk) and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. This department identifies and evaluates financial risks in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market risk:

Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash earns interest at market rates.

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis.

9. FINANCIAL RISK MANAGEMENT … (cont'd)

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at June 30, 2008, the Company has accounts payable and accrued liabilities of $8,999 due within 12 months and has cash and cash equivalents of $750,490 to meet its current obligations. As a result the Company has minimal liquidity risk.

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's cash and cash equivalents are exposed to credit risk. The credit risk on cash equivalents is small because the counterparties are highly rated banks.

10. SUBSEQUENT EVENT

The Company has announced that further to its preliminary news release of September 27, 2007 and a subsequent press release issued on May 12, 2008, that it has entered into an arm's length binding letter agreement (the "Agreement") with Kilo Goldmines Inc. ("Kilo"), originally dated September 27, 2007, as amended on April 12, 2008, pursuant to which it has agreed to acquire, directly or indirectly, all of the issued and outstanding shares of Kilo Goldmines Inc. (the "Kilo Shares"). The acquisition of Kilo will be Blue Ribbon's qualifying transaction (the "Qualifying Transaction") pursuant to the rules and policies of the TSX Venture Exchange (the "Exchange") and will result in the listing of Blue Ribbon as a Tier 2 Resource Issuer. The Qualifying Transaction is expected to occur through the amalgamation of Kilo and a wholly owned subsidiary of Blue Ribbon to be created, pursuant to which Kilo outstanding securities will be exchanged for equivalent Blue Ribbon securities as further provided herein. It is expected that upon completion of the Qualifying Transaction, Blue Ribbon will change its name to Kilo Goldmines Ltd. or to a similar name.

10. SUBSEQUENT EVENT … (cont'd)

Pursuant to the Agreement, the outstanding common shares of Blue Ribbon will first be consolidated on a "one for four" basis (such post-consolidated Blue Ribbon common shares are hereinafter referred to as "Blue Ribbon Shares"). Blue Ribbon will then acquire all of the issued and outstanding common shares of Kilo in exchange for the issuance to the shareholders of Kilo of an aggregate of 22,933,413 Blue Ribbon Shares, plus the additional number to be issued pursuant to the Offering (as defined below) at a deemed price of $0.80 per Blue Ribbon Share. Each Kilo shareholder will be entitled to one (1) Blue Ribbon Share for each one (1) share held by them in Kilo. In addition, Blue Ribbon has agreed to issue replacement options and warrants to all holders of Kilo options and warrants who surrender such securities to Blue Ribbon pursuant to the Agreement. The number and exercise price of the replacement options and warrants issued by Blue Ribbon will have identical exercise terms as the Kilo options and warrants that are surrendered. In addition, Kilo intends to complete a private placement financing to raise additional funds prior to the closing of the Qualifying Transaction (the "Offering").