Otis Capital Corp.

Interim Financial Statements

March 31, 2008 and June 30, 2007

(Unaudited - Prepared by Management)

Notice: These interim financial statements have been prepared by management and they have not been reviewed by the Company's external auditors

Otis Capital Corp.
Balance Sheet
As at March 31, 2008 and June 30, 2007
(Unaudited - Prepared by Management)

		March 31, 2008		June 30, 2007
ASSETS				
CURRENT ASSETS				
Cash	$	850,221	$	179,859
Accounts Receivable		5,248		20,600
		855,469		200,459
UNPROVEN MINERAL INTERESTS		3,136		-
DEFERRED FINANCING COSTS		-		10,000
TOTAL ASSETS	$	858,605	$	210,459
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable and accrued liabilities	$	29,986	$	6,100
SHAREHOLDERS EQUITY:				
SHARE CAPITAL		871,769		210,000
CONTRIBUTED SURPLUS		29,153		-
RETAINED EARNINGS (DEFICIT)		(72,303)		(5,641)
NET EQUITY (DEFICIENCY)		828,619		204,359
TOTAL LIABILITIES & EQUITY	$	858,605	$	210,459

APPROVED BY THE BOARD

"Craig Lindsay"
Director

"Norm Eyolfson"
Director

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

Otis Capital Corp.

Statement Loss and Deficit
For the nine months ending March 31, 2008
(Unaudited - Prepared by Management)

	9 Months Fiscal 2008	3 Months Fiscal 2008
EXPENSES:		
Stock based compensation	$ 22,723	$ -
Regulatory and filings	25,210	6,051
Property investigations	5,538	91
Office	18,777	17,601
Bank charges	720	468
	72,968	24,211
Loss before other item	(72,968)	(24,211)
OTHER ITEM		
Interest income	6,306	3,176
NET LOSS	$ (66,662)	$ (21,035)
DEFICIT, BEGINNING OF PERIOD	(5,641)	(51,268)
DEFICIT, END OF PERIOD	$ (72,303)	$ (72,303)
Loss per share	$(0.03)	$(0.01)
Average number of shares outstanding	2,872,364	3,994,505

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

Otis Capital Corp.
Statement of Cash Flow
For the nine months ending March 31
(Unaudited - Prepared by Management)

		9 Months Fiscal 2008		3 Months Fiscal 2008
Cash flows from operating activities				
Net Loss	$	(66,662)	$	(21,035)
Adjustments to reconcile net cash provided by operating activities:				
Stock based compensation		22,723		-
Decrease (increase) in Accounts Receivable		15,352		(1,607)
Decrease in deferred financing costs		10,000		-
Increase in Accounts Payable and accrued liabilities		23,886		22,745
		5,299		103
Cash flows from investing activities				
Unproven mineral interests		(3,136)		(3,136)
		(3,136)		(3,136)
Cash flows from financing activities				
Common shares issued for cash		750,000		550,000
Share issue costs		(81,801)		(13,352)
		668,199		536,648
Increase in cash		670,362		533,615
Cash, beginning of period		179,859		316,606
Cash, end of period	$	850,221	$	850,221

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

1. OPERATIONS

Otis Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 24, 2007. The Company listed its common shares, as a capital pool company ("CPC") on the TSX Venture Exchange (the "Exchange") on November 28, 2007.

As at March 31, 2008, the Company had no business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. On April 15, 2008, the Company entered into a transaction that it expects will constitute its Qualifying Transaction (see Note 5)

2. ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below. These interim financial statements should be read in conjunction with the audited financial statements for the period from incorporation on April 24, 2007 to June 30, 2007.

Deferred financing costs

Costs relating to the Company's initial public offering have been recorded as deferred financing costs. These costs were offset against share capital upon completion of the initial public offering.

Earnings (loss) per share

Earnings (loss) per share is calculated using the weighted average number of common shares issued and outstanding during the period.

Income taxes

Income taxes are recorded using the asset and liability method under which future income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using the substantively enacted income tax rates expected to apply when the asset is realized or the liability settled. To the extent that the Company does not consider it more likely than not that a future income tax asset will be recovered, it provides a valuation allowance against the excess.

3. SHARE CAPITAL

	Nine months to March 31, 2008		From incorporation to June 30, 2007	
	Shares	Amount	Shares	Amount
Issued				
Balance, beginning of period	2,100,000	$ 210,000	-	$ -
Common shares issued for:				
Incorporation	-	-	1	1
Share cancelled	-	-	(1)	(1)
Shares issued for cash	3,200,000	750,000	2,100,000	210,000
	5,300,000	960,000	2,100,000	210,000
Share issue costs	-	(88,231)	-	-
Balance, end of period	5,300,000	$ 871,769	2,100,000	$ 210,000

The Company completed a private placement financing of 2,100,000 common shares on June 30, 2007 which are held in an Escrow Agreement (the "Escrow Shares"); an initial 10% of the Escrow Shares will be released on final TSXV approval of a Qualifying Transaction and an additional 15% will be released every six months thereafter. If the Company is able to meet the Exchange's Tier 1 minimum listing requirements at any time, the release will be accelerated.

On November 22, 2007, the Company completed an initial public offering of 1,000,000 common shares at $0.20 for gross cash proceeds of $200,000. The Company paid the agent a commission of $20,000, a corporate finance fee of $10,000, costs of $10,500, and granted an option to acquire 100,000 common shares, exercisable at $0.20 per share for 2 years (valued at their fair value of $6,430).

On February 29, 2008, the Company completed a private placement of 2,200,000 common shares at $0.25 for gross cash proceeds of $550,000. No finders' fees were paid on the private placement.

4. STOCK-BASED COMPENSATION

The Company established a stock option plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the Plan, the exercise period of the options may not exceed five years from the date of grant.

During the period ended March 31, 2008, the Company granted 310,000 stock options at an exercise price of $0.20 per share for a term of five years. These options have a fair value of $22,723 which has been expensed in the current period.

During the period ended March 31, 2008, the Company also granted 100,000 agent options exercisable at $0.20 per share for a term of two years. The fair value of these options is $6,430 which has been recorded as share issue costs.

4. STOCK-BASED COMPENSATION - continued

The following assumptions were used for the Black-Scholes option pricing model valuation of stock options granted during the period ended March 31, 2008:

	Plan Options	Agent's Options
Number of options	310,000	100,000
Risk free interest rate	4.1%	4.1%
Expected life	5 years	2 years
Volatility	75.0%	75.0%
Fair value per share	$0.0733	$0.0643
Compensation cost	$22,723	$6,430

5. SUBSEQUENT EVENTS

1. On April 15, 2008, the Company entered into an agreement in principal to acquire a 100% interest in the Blue Hill Creek Gold Deposit (the "Property") located in Cassia County, Idaho. The transaction has been submitted to the TSX Venture Exchange (the "Exchange") for approval as the Company's Qualifying Transaction.

   A refundable deposit of US$40,000 was paid to the vendors and this will be refunded in the event that a definitive agreement is not executed by June 1, 2008. An additional payment of US$40,000 will be made upon execution of the definitive agreement and 1,500,000 shares of the Company will be issued upon Exchange approval of the definitive agreement; this will acquire an undivided 10% interest in the Property. Additional payments to the vendors will be required as follows:

   a) 750,000 shares will be issued on or before six months from execution ("Execution") of the definitive agreement, to acquire an aggregate 20% interest in the Property;
   b) On or before the first anniversary of Execution US$50,000 will be paid and 750,000 shares will be issued, to acquire an aggregate 30% interest in the Property;
   c) 750,000 shares will be issued on or before eighteen months from Execution, to acquire an aggregate 40% interest in the Property;
   d) On or before the second anniversary of Execution US$60,000 will be paid and 750,000 shares will be issued, to acquire an aggregate 50% interest in the Property;
   e) 750,000 shares will be issued on or before thirty months from Execution, to acquire an aggregate 60% interest in the Property;
   f) On or before the third anniversary of Execution US$70,000 will be paid and 750,000 shares will be issued, to acquire an aggregate 70% interest in the Property;
   g) On or before the fourth anniversary of Execution US$80,000 will be paid, to acquire an aggregate 85% interest in the Property; and
   h) On or before the fifth anniversary of Execution US$100,000 will be paid, to acquire an aggregate 100% interest in the Property.

5. SUBSEQUENT EVENTS - continued

The Property payments may be accelerated at any time at the option of the Company. In addition to the foregoing, the Company will be responsible for filing and paying all annual assessments and fees relating to the Property.

A 2.5% net smelter royalty ("NSR") will be paid to the vendors on production of gold from the Property. At any time, the Company may buy the NSR, or a portion thereof, for US $1,000,000 per percentage point (i.e. $2,500,000 for the entire NSR).

2. On April 22, 2008, the Company announced that it was arranging a non-brokered private placement of up to 4,000,000 units at $0.50 for gross proceeds of up to $2,000,000. Each unit will consist of one common share and one-half a transferable common share purchase warrant. Each whole warrant may be exercised at $0.65 in the first year and at $0.85 in the second year.