GGL DIAMOND CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2009

(UNAUDITED)

NOTICE: The Company's auditors have not reviewed the attached Interim Consolidated Financial Statements for the period ended February 29, 2008.

GGL DIAMOND CORP.

Consolidated Balance Sheets as at

		February 28, 2009 (Unaudited)		November 30, 2008 (Audited)
ASSETS				
Current				
Cash	$	378,053	$	332,665
Amounts receivable		88,815		128,665
Prepaid expenses		16,635		21,762
		483,503		483,092
Unproven mineral interests (Note 3)		19,634,425		19,954,322
Property and equipment (Note 4)		237,035		424,362
	$	20,354,963	$	20,861,776
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 3(c))	$	390,887	$	699,933
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		35,211,782		35,211,782
Contributed surplus (Note 7)		3,822,571		3,822,571
Deficit		(19,070,277)		(18,872,510)
		19,964,076		20,161,843
	$	20,354,963	$	20,861,776

Subsequent events (Note 14)

On behalf of the Board:

"Raymond A. Hrkac"
Raymond A. Hrkac, Director

"Nick DeMare"
Nick DeMare, Director

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

GGL DIAMOND CORP.

Consolidated Statements of Operations and Deficit
For the three months ended
(Unaudited)

	February 28, 2009	February 29, 2008
Expenses		
Amortization	$ 526	$ 606
Consulting fees	14,062	97,260
Corporate relations	-	2,555
Interest expense	165	423
General exploration costs	(38,219)	54,493
Legal and audit	2,786	16,118
Licences, taxes, insurance and fees	8,771	14,137
Office services and expenses	45,434	57,276
Shareholders' meetings and reports	725	2,925
Stock-based compensation	-	7,404
Travel	-	2,097
Operating loss	(34,250)	(255,294)
Other income (loss)		
Foreign exchange loss	(160)	(70)
Gain on sale of property and equipment (Note 4)	230,368	-
Interest income	84	32,283
Other tax expense	-	(17,281)
Write off of property and equipment	-	(3,828)
Write off of exploration and unproven mineral interests (Note 3(a)(iii))	(393,809)	-
	(163,517)	11,104
Net loss before taxes	(197,767)	(244,190)
Future income tax recovery	-	859,211
Net (loss) income for the period	(197,767)	615,021
Deficit, beginning of period	(18,872,510)	(18,207,599)
Deficit, end of period	$ (19,070,277)	$ (17,592,578)
(Loss) income per share - basic and diluted	$ (0.001)	$ 0.005
Weighted average number of common shares outstanding - basic and diluted	144,607,025	135,569,489

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

GGL DIAMOND CORP.

Consolidated Statements of Cash Flows
For the three months ended
(Unaudited)

	February 28, 2009	February 29, 2008
Cash flows from (used in) operating activities		
(Loss) income for the period	$ (197,767)	$ 615,021
Adjustment for items not involving cash:		
- amortization of property and equipment	526	2,117
- amortization of exploration property and equipment	12,069	14,671
- future tax recovery	-	(859,211)
- gain on sale of property	(230,368)	-
- stock-based compensation	-	7,404
- write off of property and equipment	-	3,828
- write off of exploration and unproven mineral interests	393,809	-
	(21,731)	(216,170)
Change in non-cash working capital items:		
- amounts receivable	39,850	(33,095)
- prepaid expenses	5,127	(667,298)
- accounts payable and accrued liabilities	(596,944)	83,348
	(573,698)	(833,215)
Cash flows from (used in) financing activities		
Shares issued for cash	-	52,750
Shares issued for cash - flow-through shares	-	4,014,500
Share issuance costs	-	(285,142)
Principal reduction of mortgage loan	-	(3,872)
	-	3,778,236
Cash flows from (used in) investing activities		
Acquisition of unproven mineral interests	-	(66,429)
Additions to deferred exploration costs	188,986	(498,649)
Option payments received	25,000	-
Proceeds from sale of property and equipment	405,100	-
	619,086	(565,078)
Increase in cash and cash equivalents	45,388	2,379,943
Cash and cash equivalents, beginning of period	332,665	745,148
Cash and cash equivalents, end of period	$ 378,053	$ 3,125,091

See Note 11

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

These notes should be read in conjunction with the Audited Consolidated Financial Statements for the year ended November 30, 2008.

1. Nature of Operations

The Company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the mineral properties and related deferred costs is entirely dependent upon the existence of such reserves, the ability of the Company to obtain the necessary financing to develop the reserves and upon future profitable production.

The Company intends to continue its exploration programs. The Company's ability to continue its exploration programs is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is actively pursuing such additional sources of financing.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown in the consolidated financial statements should the Company be unable to continue as a going concern. The ability of the Company to settle its liabilities as they come due and to fund ongoing operations is dependent upon the ability of the Company to obtain additional funding from equity financing. Failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis.

2. Adoption of New Accounting Policies

Current Changes in Accounting Policies

(a) Goodwill and Intangible Assets, Section 3064

The CICA issued the new Handbook section 3064, "Goodwill and Intangible Assets", which will replace section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008.

(b) Going Concern – Amendments of Section 1400

CICA 1400, General Standards of Financial Statements Presentation, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

2. **Adoption of New Accounting Policies,** continued

Future Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Unproven Mineral Interests

	Balance November 30, 2008	2009 Mineral Interests Additions	2009 Net Exploration cost additions	2009 Written off	Balance February 28, 2009
Doyle Lake	$ 3,491,801	$ -	$ 10,021	$ (393,809)	$ 3,108,013
Fishback Lake	1,226,657	-	3,207	-	1,229,864
CH	7,734,437	-	(2,974)*	-	7,731,463
Providence Greenstone Belt	4,735,107	-	59,478	-	4,794,585
McConnell Creek	2,766,320	-	4,180	-	2,770,500
	$ 19,954,322	**$ -**	**$ 73,912**	**$ (393,809)**	**$ 19,634,425**

* See Note 3(b)

	Balance November 30, 2008	2009 Net Additions	2009 Written off	Balance February 28, 2009
Unproven mineral interests	$ 631,254	$ -	$ -	$ 631,254
Deferred exploration costs	19,323,068	73,912	(393,809)	19,003,171
	$ 19,954,322	**$ 73,912**	**$ (393,809)**	**$ 19,634,425**

3. Unproven Mineral Interests, continued

Exploration costs incurred during the three months ended:

	February 28, 2009	February 29, 2008
Chartered aircraft	$ -	$ 5,538
Sampling	-	66,011
Licences, recording fees and lease payments	10,965	48,969
Project supplies	3,224	194,967
Salaries and wages	7,093	49,675
Surveying	45	-
Technical and professional services	74,874	90,710
Transportation	2,711	8,476
	$ 98,912	**$ 464,346**

(a) Doyle Lake, Northwest Territories, Canada

(i) Under the De Beers Agreement ("the Agreement") dated May 25, 1995, De Beers has earned a 60% interest in the Doyle Lake Properties ("the Properties"), which consist of 5 claims and 3 fractional claims (12,972 acres);

(ii) the Company has 11 mining leases (25,579 acres) in the Northwest Territories from Mountain Province Diamonds Inc., Camphor Ventures Inc., and De Beers Canada Inc., subject to Royalty Agreements which total 1.5% of net returns (gross revenues less permissible deductions); and

(iii) in addition, the Company holds 36 claims (39,726 acres) in the Doyle Lake area that are not subject to the Agreement. 35 of these claims are leases. During the period, the Company relinquished 16 (15,818.10 acres) mining leases. The relinquished leases do not include the Doyle diamond-bearing kimberlite sill which is 100% owned by the Company.

(b) CH, Northwest Territories, Canada

The Company signed an exploration and option agreement on 73 of its 121 CH claims in the Northwest Territories. Kennecott Canada Exploration Inc. must make payments totalling $1,000,000 and incur cumulative expenditures of $10,000,000 in order to earn a 100% interest, subject to a gross overriding royalty of 1.5% of the appraised value of all gem and industrial diamonds recovered, sorted and graded from the property and a 1.5% net smelter returns royalty on the net value of all ores, minerals, metals and materials except diamonds, mined and removed from the property and sold or deemed to have been sold. The payments and both royalties are payable to the Company. The Company has received the first payment of $25,000.

3. Unproven Mineral Interests, continued

(c) General exploration, Northwest Territories, Canada

The Company signed a non-exclusive licence agreement for the use of its Slave Geological Province data set for diamond exploration for $100,000 and will provide 500 hours of technical support at a price of $50,000 prepaid. As at February 28, 2009, $45,150 of the accounts payable and accrued liabilities represents 451.50 hours remaining of technical support.

4. Property and Equipment

(a) The Company sold its house in Yellowknife for $405,000 and has a gain from the sale of $230,556 and

(b) the Company sold a piece of equipment for $100 and has a loss from the sale of $188.

5. Share Capital

(a) Authorized: unlimited common shares without par value;

(b) 144,607,025 common shares issued (no changes during the period);

(c) During the quarter ended February 28, 2009, 735,000 stock options expired unexercised;

(d) At February 28, 2009, the Company had the following share purchase warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
230,000	$0.175	Mar. 07, 2009
2,855,000	$0.30/$0.40	Aug. 13, 2010
20,000	$0.30/$0.40	Aug. 18, 2010
3,105,000		

Changes in warrants during the period ended February 28, 2009 are as follows:

	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	5,605,000	$0.24
Expired	(2,500,000)	$0.18
Outstanding, end of period	3,105,000	$0.29

6. Stock Options

The Company has a 10% rolling Stock Option Plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the TSX Venture Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for fixed number stock option plans, except for stock options granted to investor relations consultants which vest over one year. Under the 10% rolling plan, the number of shares available for grant increases as the issued capital of the Company increases.

Stock options outstanding as at February 28, 2009:

	Shares	Weighted Average Exercise Price
Options outstanding as at Nov. 30, 2008	11,023,333	$0.35
Expired	(735,000)	$0.37
Options outstanding as at February 28, 2009	10,288,333	$0.35
2009 options exercisable	10,288,333	$0.35
2008 options exercisable	7,050,833	$0.44

	2009	2008
Weighted average remaining contractual life	3.34 years	3.31 years
Weighted average fair value of options granted during the period	N/A	N/A

7. Contributed Surplus

Contributed surplus for February 28, 2009 and 2008 is comprised of:

	2009	2008
Balance, beginning of period	$ 3,822,571	$ 3,125,977
Stock-based compensation on stock options	-	7,404
Balance, end of period	$3,822,571	$ 3,133,381

8. Related Party Transactions

During the three months ended February 28, 2009, the Company was billed $14,063 (February 29, 2008 – $26,185) by one director for consulting fees and $23,437 (February 29, 2008 - $6,315) for technical and professional services. As at February 28, 2009, $113,330 was included in accounts payable for services rendered in 2008 to February 28, 2009 (February 29, 2008 - $9,863).

GGL DIAMOND CORP.

Notes to Consolidated Financial Statements
February 28, 2009

9. Segmented information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the three months ended February 28, 2009 and February 29, 2008.

10. Commitments

In 2006, the Company entered into a three year operating lease agreement with respect to its office premises and acquired additional office space for three years. Both leases end June 30, 2009 and the minimum payment required under the agreement for 2009 is $39,722.

11. Supplementary Cash flow information

Non-cash operating, financing, and investing activities were conducted by the Company during the fiscal quarters ended February 28, 2009 and 2008 as follows:

		2009		2008
Operating activities				
Accounts payable for deferred exploration costs	$	201,116	$	157,820
Financing activities				
Issuance of common shares as finder's fee	$		4	40,000
Investing activities				
Accounts payable for deferred exploration costs	$	(201,116)	$	(157,820)
Other supplementary cash flow information:				
Cash paid for interest charges	$	-	$	124
Cash paid for income taxes	$	-	$	-

12. Comparative Figures

Certain 2008 figures have been reclassified to conform to the presentation used in the current period.

13. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents.

13. Management of Capital, continued

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's common shares are listed on the TSX Venture Exchange ("TSX-V"). The TSX-V's policies impose certain minimum capital requirements upon the Company. Due to current market conditions, the TSX-V is granting temporary relief from certain policy requirements on a case by case basis to listed issuers which are facing conditions of immediate or imminent financial hardship. The temporary relief period will expire September 30, 2009. The Company has applied to the TSX-V and received approval for temporary relief from the minimum six month working capital requirement.

14. Subsequent Events

Subsequent to February 28, 2009:

(a) 330,000 stock options expired unexercised and

(b) 230,000 share purchase warrants expired unexercised.