

Consolidated Interim Financial Statements

CANADIAN SHIELD RESOURCES INC.
(AN EXPLORATION STAGE ENTITY)
June 30, 2008 and 2007
(Unaudited)

The Consolidated Interim Balance Sheet of Canadian Shield Resources Inc. (the "Company") as at June 30, 2008 and the Consolidated Interim Statements of Operations, Deficits and Cash Flows for the six months then ended have not been reviewed by the Company's auditors. These financial statements are the responsibility of the management and have been reviewed and approved by the Company's Audit Committee.

CANADIAN SHIELD RESOURCES INC.
(An Exploration Stage Entity)
June 30, 2008 and 2007
(Unaudited – See Notice to Reader)

Notice to Reader

Management has compiled the unaudited financial statements of Lingo Media Corporation (“Lingo Media” or the “Company”) consisting of the Interim Consolidated Balance Sheets as at June 30, 2008 and the Interim Statements of Deficit, Operations, and Cash Flows for the six months ended June 30, 2008. All amounts are stated in Canadian dollars. An accounting firm has not reviewed or audited this interim financial information.

CANADIAN SHIELD RESOURCES INC.
(An Exploration Stage Entity)
June 30, 2008 and 2007
(Unaudited - See Notice to Reader)

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CANADIAN SHIELD RESOURCES INC.
(An Exploration Stage Entity)

Consolidated Interim Balance Sheets
(Unaudited - See Notice to Reader)

As at	June 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash	\$ 27,262	\$ 127,890
Sundry assets	142,478	116,268
	169,741	244,158
Property and equipment, net	19,587	21,978
Mining properties and deferred exploration expenditures (note 2)	2,639,151	4,061,293
	\$ 2,828,478	\$ 4,327,429
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 624,911	\$ 207,535
Loan payable (note 3)	189,657	-
	814,568	207,535
Non-controlling interest	27,626	27,626
Shareholders' equity:		
Capital stock (note 4)	7,690,881	7,619,242
Warrants	8,041	8,041
Contributed surplus	952,916	878,516
Deficit	(6,665,555)	(4,413,531)
	1,986,284	4,092,268
	\$ 2,828,478	\$ 4,327,429

See accompanying notes to Consolidated Interim Financial Statements.

Approved on behalf of the Board:

"Bernard Kraft"

Director

"Gregory Harris"

Director

CANADIAN SHIELD RESOURCES INC.
(An Exploration Stage Entity)

Consolidated Interim Statements of Deficit
(Unaudited - See Notice to Reader)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Deficit, beginning of period	\$ (4,596,011)	\$ (3,733,108)	\$ (4,413,530)	\$ (3,477,752)
Net loss for the period	(2,069,544)	(192,103)	(2,252,025)	(447,459)
Deficit, end of period	\$ (6,665,555)	\$ (3,925,211)	\$ (6,665,555)	\$ (3,925,211)

See accompanying notes to Consolidated Interim Financial Statements.

CANADIAN SHIELD RESOURCES INC.

(An Exploration Stage Entity)

Consolidated Interim Statements of Operations
(Unaudited - See Notice to Reader)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Revenue:				
Interest Income	\$ -	\$ 988	\$ -	\$ 1,883
Expenses:				
General and administrative	185,686	93,584	281,156	167,221
Stock-based compensation	37,200	60,601	74,400	216,098
Shareholder services	12,071	18,059	21,170	28,142
Professional fees	39,592	12,303	75,920	23,558
Interest	3,023	1,042	4,657	5,681
Mining property and exploration expenditure written off (note 2)	1,791,165	-	1,791,165	-
Amortization	807	7,502	3,557	8,643
	\$ 2,069,544	\$ 193,090	\$ 2,252,025	\$ 449,342
Net loss for the period	\$ (2,069,544)	\$ (192,102)	\$ (2,252,025)	\$ (447,459)
Loss per share – basic and diluted	\$ (0.04)	\$ (0.01)	\$ (0.04)	\$ (0.01)
Weighted average number of common shares outstanding	50,166,613	37,556,314	50,457,964	40,034,430

See accompanying notes to Consolidated Interim Financial Statements.

CANADIAN SHIELD RESOURCES INC.

(An Exploration Stage Entity)

Consolidated Interim Statements of Cash Flows
(Unaudited - See Notice to Reader)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Cash flows provided by (used in):				
Operations:				
Net loss for the period	\$ (2,069,544)	\$ (192,103)	\$ (2,252,025)	\$ (447,459)
Items not affecting cash:				
Amortization	807	7,502	3,557	8,643
Stock-based compensation	37,200	60,601	74,400	216,098
Exploration expenditure expensed	1,791,165	-	1,791,165	-
Change in non-cash balances related to operations:				
Sundry assets	(20,912)	(158,097)	(26,210)	(194,676)
Accounts payable and accrued liabilities	185,298	(17,777)	417,378	(78,747)
Cash (used in) operating activities	(75,986)	(299,874)	8,264	(496,141)
Financing:				
Issuance of common shares (note 4)	(17,683)	858,854	71,639	1,433,058
Shareholder's loans	118,298	(151,019)	189,657	(101,513)
Cash provided by financing activities	\$ 100,340	\$ 707,835	\$ 261,296	\$ 1,331,546
Investing:				
Cash acquired on acquisition	1,756	(3,713)	(1,166)	(3,713)
Mining properties and deferred exploration expenditures (note 6)	(25,519)	(560,058)	(369,023)	(629,205)
Cash (used in) investing activities	\$ (23,763)	\$ (563,771)	\$ (370,189)	\$ (632,918)
Decrease in cash	591	(155,810)	(100,628)	(202,486)
Cash, beginning of period	26,671	368,020	127,890	9,723
Cash, end of period	\$ 27,262	\$ 212,210	\$ 27,262	\$ 212,210
Supplemental cash flow information:				
Interest received	\$ -	\$ 988	\$ -	\$ 1,883
Interest paid	\$ 4,657	\$ 1,042	\$ 6,291	\$ 5,681

See accompanying notes to Consolidated Interim Financial Statements.

CANADIAN SHIELD RESOURCES INC.
(An Exploration Stage Entity)
Notes to Interim Consolidated Financial Statements
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Canadian Shield Resources Inc. is engaged in the business of locating and exploring mineral resource properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned revenues relating to its exploration activities and is considered to be in the exploration stage.

1. Significant accounting policies:

Basis of presentation:

The disclosures contained in these unaudited consolidated interim financial statement does not include all requirements of generally accepted accounting principles (GAAP) for annual financial statements. The unaudited consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2007.

The unaudited consolidated interim financial statements reflect all adjustments, consisting only of normal recurring accruals, which are, in the opinion of management, necessary to present fairly the financial position of the company as of June 30, 2008 and the results of operations and cash flows for the six months ended June 30, 2008 and 2007.

All amounts contained in these Financial Statements are expressed in Canadian dollars.

2. Mining properties and deferred exploration expenditures:

Following is the breakdown of Mining properties and deferred exploration expenditures by property:

	December 31, 2007	Deferred Exploration Expenditures	Expensed or Written Off	June 30, 2008
Canada:				
Erickson lake	\$ 16,564	\$ -	- \$	16,564
Peru:				
Humajala *	1,766,007	25,158	(1,791,165)	-
Cerro Cori	449,007	49	-	449,056
Ccello Ccello	482,192	424	-	482,616
Apune-Pucarana	474,689	-	-	474,689
La Estrella	395,688	267,739	-	663,427
Pampa Poroma	139,869	65	-	139,934
Colpayoc	126,671	31,448	-	158,119
La Tola	52,123	372	-	52,495
Other	17,756	43,614	-	61,370
Chile:				
Trol	140,727	154	-	140,881
	\$ 4,061,293	\$ 369,023	(1,791,165)	\$ 2,639,151

* Deferred exploration expenditures related to Humajala Property were expensed after discontinuation of exploration activities in June 2008.

3. Loan payable:

Loans bear interest at 12% per annum are unsecured and due on demand.

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4. Capital stock:

(a) Issued:

	Common shares	
	Number	Amount
Balance, January 1, 2008	49,906,066	\$ 7,619,242
Issued:		
Private Placement (i)	1,007,002	151,050
Options exercised	1,132,387	141,756
Less: Share issue costs	-	(161,832)
Balance, June 30, 2008	52,045,457	\$ 7,690,881

(i) In April 2008, the Company successfully completed a non-brokered expedited private placement of 1,007,002 Units at a price of \$0.15 per Unit for gross proceeds of \$151,050. Each Unit is comprised of one common share and one-half non-transferable Series O Warrant. Each whole Series O Warrant ("Warrant") entitles the holder to purchase one common share at an exercise price of \$0.25 for a period of 18 months from the date of closing. The Warrant is callable, at the option of Canadian Shield, four months after the date of closing in the event its common shares trade at or over \$0.50 per share for 10 consecutive trading days.

(b) The following summarizes the stock options outstanding:

	Number of warrants		Weighted average exercise price
Outstanding, January 1, 2008	4,849,166	\$	0.18
Granted	925,000		-
Exercised	1,132,387		-
Outstanding, June 30, 2008	4,641,779	\$	0.17
Options exercisable, end of period	2,830,112	\$	0.18

(c) Warrants:

The following summarizes the Warrants outstanding:

	Weighted average remaining contractual life (years)	Series	Number of warrants		Weighted average exercise price
January 1, 2008	0.62		2,040,000	\$	0.43
Issued	1.33		503,501		0.25
June 30, 2008			2,543,501		

(d) Compensation Warrants:

The following summarizes the Compensation Warrants outstanding:

	Weighted average remaining contractual life (years)	Series	Number of warrants		Weighted average exercise price
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CANADIAN SHIELD RESOURCES INC.

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Notes to Interim Consolidated Financial Statements

(Unaudited - See Notice to Reader)

June 30, 2008 and 2007

January 1, 2008	1.10	-	80,700	\$	0.19
June 30, 2008			80,700		

5. Segmented Information:

(a) Reportable Segments:

In 2008 and 2007, the Company has one operating segment in mineral exploration

(b) Enterprise Wide Disclosure – Geographic Information:

As at June 30, 2008, \$2,604,720 (December 2007: \$3,072,938) of the Company's assets were held in Peru.