Management Discussion and Analysis
For the year ended January 31, 2006

The following management discussion and analysis of the financial position of Mont Blanc Resources Inc. ("Mont Blanc" or the "Company") and results of operations of the Company should be read in conjunction with the audited financial statements including the notes thereto for the year ended January 31, 2006. The accompanying audited financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following management's discussion and analysis dated May 29, 2006 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Description of Business

The Company was incorporated on November 23, 1983 under the name Southern Star Resources Ltd. After undergoing several earlier name changes, the company changed its name from Alda Industries Corporation to Crux Industries Inc. on July 14, 1999. The Company requested to be deemed inactive by the TSXV (previously CDNX) on March 19, 1996 to complete a restructuring. On August 12, 2003, the Company was moved to NEX, a new and separate board of TSX Venture Exchange for public companies that are designated "inactive". On March 9, 2004, the Company was re-instated for trading on NEX. At the September 13, 2005 AGM the Company received approval from the shareholders to change its name from Crux Industries Inc. to Mont Blanc Resources Inc. After receiving approval from the TSX Exchange the Company's listing was transferred from NEX to the TSX Venture Exchange, effective April 7, 2006. The Company is currently actively engaged in a Joint Venture with Magnum Energy Inc., exploring oil and gas opportunities in Southern Alberta.

Operations and Financial Condition

Operations between 2006 and 2005 are not directly comparable because of the substantial increase in activity in the current year. During the past fiscal year management has successfully reorganized the Company by eliminating the debt and the outstanding loans receivable. Simultaneously management identified promising opportunities in the oil and gas sector and arranged equity financing to fund the projects. As a result of the active status the Company was re-instated to the TSX Venture from the NEX.

Selected Annual Information

Fiscal Year Ending January	2006	2005	2004
Total Revenues	-	-	-
Total Net Income (Loss)	(328,062)	35,958	(61,688)
Total Net Income (Loss) before Stock Based Compensation	(111,812)	35,958	(61,688)
Total Assets	250,755	152,817	173,944
Total Working Capital (Deficiency)	230,277	(338,534)	43,015
Shareholder's Equity (Deficit)	232,453	(338,535)	(622,493)

Discussion of Annual Information

The Company has not generated any revenues over the last three fiscal years due to its inactive status. It should be noted that interest income is no longer presented as revenue, but presented in the income statement after income from operations. General and administrative expenses of $353,969 (2005: $70,244) for the year consist of $216,250 (2005: nil) of stock based compensation and $137,719 (2005: $70,244) cash based expenses primarily for maintaining the Company's listing and for project identification and due diligence. The $67,475 increase is a direct result of expenses incurred from increased activity as management explored new business opportunities.

During the year, shares for debt settlement reduced the Company's liabilities by $429,298 of which $402,800 was converted to share capital and $26,498 was forgiven by various creditors. Share capital was increased by another $280,000 due to a private placement. Both financing activities contributed to the increase of total assets and the working capital.

Operations and Financial Condition

Summary of Quarterly Results

	Year Ending 2006	**Year Ending 2006**	**Year Ending 2006**	**Year Ending 2006**
	4th Quarter, January 31, 2006	**3rd Quarter, October 31, 2005**	**2nd Quarter, July 31, 2005**	**1st Quarter, April 30, 2005**
Total Revenue	-	-	-	-
Income (Loss) before Extraordinary Items	$ (261,963)	$ 2,777	$ (38,133)	$ (30,743)
Net Income (Loss)	$ (261,963)	$ 2,777	$ (38,133)	$ (30,743)
Basic and Fully Diluted Income (Loss) Per Share	$(0.02)	$0.001	$(0.007)	$(0.006)

	Year Ending 2005	**Year Ending 2005**	**Year Ending 2005**	**Year Ending 2005**
	4th Quarter, January 31, 2005	**3rd Quarter, October 31, 2004**	**2nd Quarter, July 31, 2004**	**1st Quarter, April 30, 2004**
Total Revenue	-	-	-	-
Income (Loss) before Extraordinary Items	$(2,380)	$ 66,413	$ (15,118)	$ (12,957)
Net Income (Loss)	$ (2,380)	$ 66,413	$ (15,118)	$ (12,957)
Basic and Fully Diluted Income (Loss) Per Share	$(0.001)	$0.016	$(0.006)	$(0.005)

* management no longer records interest income as revenue but rather as an "other income/expense" item therefore the tables above may appear different than those found in previous financial MD&A filings.

Discussion of Quarterly Information

Revenues

Summarized revenue and net income information for the eight most recent quarters are reflected in the chart above. As stated earlier, the Company did not generate revenues due to its inactive status.

Expenses

Cash based office and administrative expenses for the past eight quarters relate primarily to contract fees paid to suppliers for services relating to identifying business opportunities and performing due diligence as well as the typical expenses incurred in maintaining the public listing.

Office and administrative expenses were approximately $15,000 per quarter in the year 2005. During the first two quarters of 2006 they were higher at $30,000 due to increased project identification and due diligence services, but lowered to $23,700 in the third quarter of the year primarily due to a reduction in contract service fees to Mont Blanc Capital Corp. The same cash based expenses were increased over the last quarter to $46,000 due to accounting and auditing fees accrued for the annual reporting, as well as additional legal, rental, travel, promotion and investor communication expenses incurred in the course of exploring new business opportunities.

In addition to the cash expenses, stock based compensation of $216,250 was recorded for options granted to directors and consultants in the year.

Net Income (Loss)

The Company generated no income in the quarter ended January 31, 2006.

In the quarter ended October 31, 2005 a $26,500 gain on forgiveness of debt by certain creditors, nearly offsetting the total expenses of $23,700. A $79,098 gain of the same nature was realized in the quarter ended October 31, 2004, resulting in a net income of $66,413 for the period. The lower than average net loss of $4,847 in the last quarter of 2005 was also a result of gains on debt settlement. These gains are recorded as other income.

In the last two fiscal years the Company earned interest income on loans receivable from PSAC until the quarter ended April 30, 2005, when the loans were assumed by Bilarney Corp. The related interest was first recorded as revenue and subsequently re-classed to other income in the annual financial reports of 2005.

Other

The company did not enter into any agreements for investor relations' services and incurred no such costs. Except for the purchase of computer equipment at $2,353 at the end of October 2005, there were no acquisitions of capital assets, properties or any other types of assets in 2006. There were no legal proceedings of any kind initiated by or against the Company. There were no contingent liabilities and no default under debt or other contractual obligations, other than the ones reported in the Related Party Transactions section below.

There have been no special resolutions passed by shareholders.

During the year the Company raised $280,000 in cash from a private placement by issuing 1,400,000 common shares at $0.20 per share. The Company issued 4,028,000 shares at $0.10 per share to eliminate $402,800 of debt.

Management continues to review opportunities that are presented to it and continues to seek opportunities that are well suited for the Company.

Mont Blanc Resources Inc.

Related Party transactions

Following the AGM on September 13, 2005 Mr. Jens Biertumpel was elected to the board and was appointed as CEO of the Company. Mont Blanc Capital Corp., a private company wholly owned by Mr. Biertumpel was then engaged by the Company to perform management services.

	2006 $	2005 $
Due to Berkshire Securities Inc. (formerly TWC Securities Inc.), a company in which the former President of the Company is a director, non-interest bearing without specific terms repayment	-	89,900
Due to Mont Blanc Capital Corp. a company controlled by the CEO, which is non-interest bearing without specific terms of repayment	427	N/A
Due to Q4 Financial Group Inc., a company controlled by the CFO, which is non-interest bearing without specific terms of repayment	3,641	28,498
Total	4,068	118,398

Q4 Financial Group Inc. ("Q4") provides accounting and administrative services to the Company. During the year, Q4 charged the Company $11,400 (2004-$37,284) for services and out-of-pocket expenses, $8,600 (2004-$18,000) for consulting. During the year, Q4 forgave $7,700 in amounts due to them.

Mont Blanc Capital Corp. provided contract services for project identification and due diligence from February 2005 to August 2005 and was paid a total of $42,000. From September 2005 to January 31, 2006 Mont Blanc Capital Corp. was paid a total $12,500 ($2,500 per month) in management fees.

Subsequent Events

As of May 19, 2006 the Company announced that the operator of the Joint Venture property with Magnum Energy Inc. completed drilling operations on its initial prospect in the Vauxhall area of Southern Alberta. The well was cased, as commercial hydrocarbons were indicated in the primary target zone. The company paid $1,028,799 to Magnum Energy Inc. for its portion of the expected expenditures.

On March 10, 2006 Mont Blanc Resources Inc. granted options to purchase a total of 50,000 common shares at a price of 50 cents per share subject to final approval by the TSX Venture Exchange.

On March 14, 2006 the TSX Venture Exchange accepted for filing documentation with respect to a non-brokered private placement announced Feb. 23, 2006. The offering, which closed March 6, 2006, consisted of 1.0 million units at a price of $0.50 per Unit for gross proceeds of $500,000. Each Unit consists of one common share of Mont Blanc and one common share purchase warrant. Each Warrant will entitle the holder to purchase one Share at a price of $1.00 per Share for a period of two years. The Shares and Warrants issued pursuant to this Offering have a 4-month hold period.

On April 6, 2006 the TSX Venture Exchange has accepted for filing the joint venture agreement dated January 11, 2006, between Mont Blanc Resources Inc. and Magnum Energy Inc.

Effective April 7, 2006, the Company, having met the requirements to be listed as a TSX Venture Exchange Tier 2 company had it's listing transferred from NEX to the TSX Venture Exchange. The company's tier classification was changed from NEX to Tier 2 and the trading symbol for the company was changed from MTN.H to MTN.

On April 10, 2006 the Company closed a second offering of 800,000 units at a price of 50 cents per unit, for gross proceeds of $400,000. Each unit consists of one common share of Mont Blanc and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $1.00 per share for a period of two years.

On April 11, 2006, the Company announced another offering, to consist of up to an additional 240,000 units at a price of 50 cents per unit, for further gross proceeds of $120,000. The additional closing will be subject to regulatory and TSX Venture Exchange approval.

On May 16, 2006 Mont Blanc Resources Inc. appointed Ralph M. Claussner, PEng, as a new director who has been acting as the technical consultant to Mont Blanc since December of 2005. The Company also hired Lindsay Carswell to oversee corporate development and investor relations.

Liquidity

As at January 31, 2006, the Company had a working capital deficit of $230,277 and an accumulated deficit of $6,594,800. For the year ended January 31, 2005 the Company's working capital deficit was $338,534 and its accumulated deficit was $6,266,737.

Over the next twelve months, the Company will require substantial working capital to cover general and administrative expenses and consultants' fees as well as to finance the oil and gas production.

The expected sources of the funds are oil and gas revenues and financing by private placements offerings, as well as warrants and option exercises.

The Company has incurred significant operating losses and its continued existence is dependent upon its operations' profitability and the continued support of its shareholders.

The financial statements have been prepared on the going concern basis of accounting, which assumes that the Company will continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. A failure to continue as a going-concern would require that stated amounts of assets and liabilities be reflected on a liquidation basis, which will differ from the going-concern basis.

Additional information about the Company is available on SEDAR at www.sedar.com.