Management Discussion and Analysis
For the year ended January 31, 2007

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, 2007. 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 31, 2007 ("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 arrangement with Magnum Energy Inc ("Magnum"), exploring oil and gas opportunities within South Eastern Alberta farm-in lands containing multi-zone potential. As at the date hereof, the Company has limited interests in oil and gas properties. The Company presently has no full-time employees and utilizes the services of three consultants. Mont Blanc also uses specialized consultants such as geologists and geophysicists on an "as needed" basis to evaluate potential targets.

The goal of the Company is to create sustainable and profitable growth in production and cash flow. To accomplish this, the Company plans to invest in oil and gas exploration and development prospects through its partnership with Magnum Energy Inc. and other joint venture partners. Mont Blanc will initially focus its efforts on medium and low risk opportunities in Southern Alberta. This area has the advantage of year round access, developed infrastructure, and generally lower capital costs.

In selecting exploration, exploitation and development drilling prospects, management of Mont Blanc will choose those that offer an appropriate combination of risk and economic reward. To achieve sustainable and profitable growth, the Company believes in controlling the timing and costs of its projects whenever possible. To January 31, 2007, Mont Blanc has no oil and gas revenue.

Mont Blanc has entered into a the joint venture arrangement (“Magnum JV”) on January 11, 2006 with respect to 50% of a Farm-out and Overriding Royalty Agreement (“the FORA”) also dated January 11, 2006 to drill a minimum of 6 medium-risk exploration wells in Southern Alberta.

Magnum Energy Inc. entered into the FORA with a private Alberta company. The FORA calls for Magnum to pay 100% of the drilling costs of the earning “test wells” to earn a 50% working interest in mineral rights and drilling spacing units as detailed in the FORA. Before payout, Magnum will receive 100% of the production and shall pay the “Farmor” a 15% gross overriding royalty. Following payout, the “Farmor” will have the option to convert its royalty to a 50% working interest.

Pursuant to the terms of the Magnum JV, Mont Blanc has agreed to pay 55% of Magnum’s drilling costs pursuant to the FORA where after Mont Blanc will earn 50% of Magnum’s interest in the FORA properties. Following the effect of both, the FORA and Magnum JV, Magnum will pay 45% of the drilling costs to earn a 25% APO working interest in the properties. Mont Blanc will likewise pay 55% of the drilling costs to earn a 25% APO WI in the properties.

Four of the drilling locations can be considered as medium-risk exploration prospects, one of the locations can be considered as a lower risk exploration prospect, and one of the locations can be considered as a lower risk development prospect. Most of the drilling locations have potential to encounter both oil and gas, and they have been selected using 3D and 2D seismic data in conjunction with detailed geological interpretation. Access to the seismic data was obtained as part of the farm-in agreement.

Targeted primary and secondary zones include the Sawtooth, Lower Mannville, Glauconitic, Upper Mannville and Bow Island in all of the prospects, with shallower potential zones including the Barons, Second White Specks, Medicine Hat and Milk River available for earning in some of the prospects. Most of these prospective zones have been proven productive for oil and/or gas in the immediate area. The deeper wells are expected to TD at ~ 1000 metres and the shallower wells will TD at ~ 700m.

On July 19, 2006 the operator confirmed that three of the Company’s six recently drilled wells have flowed sweet gas at commercially viable rates following initial completion activities. Initial production for the Company from one of the earning “test” wells commenced in December 2006.

Inflow results from the deeper zones that were initially completed in three of the remaining wells have now been evaluated, and currently do not indicate commercial production results. In due course, the Company expects to re-complete one of these wells in the same uphole zone that was completed in the previously mentioned successful wells. Thus an additional 3 of the 6 earning wells drilled are expected to be on production in the early part of 2007, once pipeline construction has been completed (4 of 6 overall on production in 2007). Additional evaluation of seismic features not targeted by the initial round of drilling is ongoing

Future Developments

The Company and its partners are encouraged by the results to date and are currently proceeding with tie-in options and gas gathering infrastructure requirements to get the successful wells on production and accommodate production from future development drilling locations, into the zones established by the exploratory earning wells. Under the terms of its farm-in deal, Mont Blanc has a 50% interest in the six recently drilled farm-in wells (reverting to 25% after payout) and, following completion activities, will have earned a 25% interest in over eight sections (5,120 gross acres) of land. The completion results to date indicate that most of this acreage is prospective for a low risk, multi-well shallow gas development drilling project, in addition to potential deeper, seismically identified exploratory targets.

Operations and Financial Condition

Operations between 2007 and 2006 are not directly comparable because of the substantial increase in activity in the current year. In 2006 management successfully reorganized the Company by eliminating the debt and the outstanding loans receivable and raised equity financing for opportunities in the oil and gas sector, resulting in the Company being re-instated to the TSX Venture from the NEX. In 2007 the Company started to be actively engaged in an arrangement exploring oil and gas opportunities in Alberta.

Selected Annual Information

Fiscal Year Ending January	**2007**	**2006**	**2005**
Total Revenues	-	-	-
Total Net Income (Loss)	(1,431,013)	(328,062)	35,958
Total Net Income (Loss) before Stock Based Compensation	(1,416,686)	(111,812)	35,958
Total Assets	318,930	250,755	152,817
Total Working Capital (Deficiency)	(182,456)	230,277	(338,534)
Shareholder's Equity (Deficit)	36,032	232,453	(338,535)

Discussion of Annual Information

The Company has not generated any revenues over the last three fiscal years. 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 $223,389 (2006: $353,969) for the year consist of $14,327 (2006: 216,250) of stock based compensation and $209,062 (2006: $137,719) of cash based expenses primarily on consulting, management and professional fees, as well as for promoting the Company to its shareholders and maintaining the Company's listing. Cash based expenses increased by $71,343 due to more active operations. Stock based compensation was higher in 2006 by $201,923 as the bulk of the stock options were granted in that year. In the year ended January 31, 2007, 50,000 options were granted to a new director.

As at January 31, 2007 the Company owed Magnum $234,829 for its share of joint interest billings on the various wells. The Company accounts for its interest in the Magnum arrangement by directly recording the Company's share of assets, liabilities and expenses in these financial statements.

The Company performed a ceiling test on its oil and gas properties based on the reserve report and determined its value was impaired, and accordingly the properties were written down by $1,207,354 to the fair value of $203,809. The fair value of the oil and gas properties is calculated using estimated cash flows from the Company's interest in oil and gas reserves discounted at 10%.

Operations and Financial Condition

Summary of Quarterly Results

	Year Ending 2007	Year Ending 2007	Year Ending 2007	Year Ending 2007
	4th Quarter, January 31, 2007	3rd Quarter, October 31, 2006	2nd Quarter, July 31, 2006	1st Quarter, April 30, 2006
Total Revenue	-	-	-	-
Income (Loss) before Extraordinary Items	$ (1,055,532)	$ (38,838)	$ (48,785)	$ (64,199)
Net Income (Loss)	$ (1,055,532)	$ (38,838)	$ (48,785)	$ (64,199)
Basic and Fully Diluted Income (Loss) Per Share	$(0.08)	$(0.003)	$(0.003)	$(0.01)

	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)

Discussion of Quarterly Information

Revenues

Summarized revenue and net income information for the eight most recent quarters are reflected in the chart above. The Company did not generate revenues due to its inactive status in the prior years and the fact that the Company has not started production on its oil and gas properties.

Expenses

Cash based office and administrative expenses for the past eight quarters relate primarily to contract fees paid to suppliers for professional, consulting and management services, as well as the typical expenses incurred in maintaining the public listing and promotion.

Office and administrative expenses were approximately $50,000 per quarter in the year 2007, except the forth quarter where additional fees were accrued for the year for consulting and professional fees related to the preparation and audit of the annual financial statements. All professional, consulting and management fees and listing and promotion expenses are higher in 2007 than in 2006 due to more active operations related to finding and exploring the Company’s oil and gas properties.

Office and administrative expenses were approximately $15,000 per quarter in the year 2006. 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, travel, promotion and investor communication expenses incurred in the course of exploring new business opportunities.

Total expense is significantly higher in the forth quarter of 2007 due to the write-down of the oil and gas properties of $1,207,354 based on the ceiling test and the Reserve Report.

In addition to the cash expenses, stock based compensation of $14,327 was recorded in 2007 for stock options granted to one director and $216,250 in 2006 for options granted to directors and consultants.

Net Income (Loss)

Except for interest income, the Company generated no other income from the quarter ended January 31, 2006 through the quarter ended January 31, 2007.

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 were recorded as other income.

Other

The company entered into an agreement for investor relations' services to pay a consultant up to $3,000 per month for such services. The Company paid a total of $4,500 in the year.

In 2007 the Company purchased computer equipment of $1,956, and incurred approximately $1,400,500 costs on its oil and gas properties, consisting approximately $1,151,400 cash payments on the properties, $234,800 due to Magnum for the Company's share of the expenditures on the properties and $24,900 professional fees directly related to the joint venture agreements and the properties. The costs were written down to $192,885 based on the ceiling test and the Reserve Report on the properties. In 2007 the Company also purchased its proportion of well equipment for approximately $10,900. 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 2007 the Company completed a three part private placement issuing 2,040,000 units of one common shares and one warrant at $0.50 per unit for total proceeds of $1,020,000, and completed a flow-through private placement in October, 2006 consisting of 717,831 Units at $0.45 per Unit for gross proceeds of $323,024.

During the year 2006 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 evaluate the Company's current oil and gas properties and potential operations on the properties, as well as continues to seek and review other opportunities that are well suited for the Company.

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.

	2007 $	2006 $
Due to Magnum, the Company's joint venture partner with a common director with the Company	234,829	-
Due to Mont Blanc Capital Corp. a company controlled by the CEO, which is non-interest bearing without specific terms of repayment	15,813	427
Due to Q4 Financial Group Inc., a company controlled by the CFO, which is non-interest bearing without specific terms of repayment	6,563	3,641
Total	257,205	4,068

Q4 Financial Group Inc. ("Q4") provides accounting and contracted administrative services to the Company. During the year, Q4 charged the Company $5,700 for accounting services, $13,800 for contract services. During the year $22,690 were paid to Q4 for these fees and the outstanding balance from 2006. The outstanding balance at the end of 2007 includes the expenses Q4 paid on behalf of the Company.

Mont Blanc Capital Corp. provided management services at a total fee of $30,000 ($2,500 per month) for the year 2007, of which $22,500 was paid by the end of 2007. The outstanding balance at the end of 2007 includes the expenses Mont Blanc Capital Corp. paid on behalf of the Company.

In the year 2007 Magnum paid $234,829 on behalf of the Company for the expenditures on the joint venture oil and gas properties. The entire amount is outstanding at the end of the year.

Subsequent Events

On February 28, 2007 the Company renounced $323,024 of Canadian exploration expenses ("CEE"), which includes a commitment to incur a further CEE of $54,940 during the 2008 yearend. The Company has already incurred these expenses as at the date of this report. The February 28, 2007 CEE renouncement directly reduces the tax carry-forward amount of resource exploration costs.

Liquidity

As at January 31, 2007, the Company had a working capital deficit of $182,456 and an accumulated deficit of $8,025,813. For the year ended January 31, 2006 the Company's working capital deficit was $230,277 and its accumulated deficit was $6,594,800.

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* and the Company website at *montblancresources.com*.