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**MONT BLANC RESOURCES INC.  
INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED  
APRIL 30, 2006**

**UNAUDITED – PREPARED BY MANAGEMENT**

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*Responsibility for Financial Statements*

*The accompanying financial statements for Mont Blanc Resources Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles. These financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company's auditors. Management believes the financial statements are free of material misstatement and present fairly, in all material respects, the financial position of the Company as at April 30, 2006 and 2005 and the results of its operations and its cash flows for the periods then ended.*

**MONT BLANC RESOURCES INC.**  
**INTERIM BALANCE SHEETS**  
**AS AT APRIL 30 AND JANUARY 31, 2006**

|  | <b>April 30</b><br>(Unaudited) | <b>January 31</b><br>(Audited) |
|--|--------------------------------|--------------------------------|
| <b>ASSETS</b>                            |                                |                                |
| <b>CURRENT ASSETS</b>                    |                                |                                |
| Cash                                     | 479,361                        | 227,961                        |
| Temporary investments (Note 3)           | 11,500                         | 11,500                         |
| Amounts receivable                       | 10,540                         | 5,715                          |
| Prepays                                  | 5,572                          | 3,403                          |
|  | <b>506,973</b>                 | <b>248,579</b>                 |
| <b>PROPERTY AND EQUIPMENT</b>            |                                |                                |
| Computer equipment                       | 3,956                          | 2,176                          |
| Oil and gas interests (Note 4)           | 535,051                        | -                              |
|  | <b>1,045,980</b>               | <b>250,755</b>                 |
| <b>LIABILITIES</b>                       |                                |                                |
| <b>CURRENT LIABILITIES</b>               |                                |                                |
| Accounts payable and accrued liabilities | 37,400                         | 14,234                         |
| Due to related parties (Note 5)          | 11,354                         | 4,068                          |
|  | <b>48,754</b>                  | <b>18,302</b>                  |
| <b>SHAREHOLDERS' EQUITY (DEFICIT)</b>    |                                |                                |
| Share capital (Note 7)                   | 7,329,303                      | 6,611,003                      |
| Share subscriptions received in advance  | 100,000                        | -                              |
| Contributed surplus (Note 9)             | 226,922                        | 216,250                        |
| Deficit                                  | (6,658,999)                    | (6,594,800)                    |
|  | <b>997,226</b>                 | <b>232,453</b>                 |
|  | <b>1,045,980</b>               | <b>250,755</b>                 |

Approved on behalf of the Board:

"Dennis Petke"  
Dennis Petke, Director

"Jens Biertumpel"  
Jens Biertumpel, Director

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**MONT BLANC RESOURCES INC.****INTERIM STATEMENTS OF OPERATIONS AND DEFICIT****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005 (AMENDED)**

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|   | <b>2006</b>        | <b>2005</b>        |
|---|--------------------|--------------------|
|   | <b>\$</b>          | <b>\$</b>          |
|   | <b>(Unaudited)</b> | <b>(Unaudited)</b> |
| REVENUE                                       | -                  | -                  |
| EXPENSES                                      |                    |                    |
| Amortization expense                          | 176                | -                  |
| Consulting fees                               | 3,300              | 19,500             |
| Office and miscellaneous                      | 3,088              | 780                |
| Professional fees                             | 13,569             | 3,566              |
| Rent  | 3,450              | 1,500              |
| Stock based compensation (note 10)            | 10,672             | -                  |
| Transfer agent and other listing fees         | 9,488              | 1,805              |
| Promotion and shareholder communication       | 1,435              | -                  |
| Meals and entertainment                       | 3,254              | -                  |
| Travel and automobile                         | 8,267              | -                  |
| Management fees                               | 7,500              | 3,000              |
|   | <u>64,199</u>      | <u>30,151</u>      |
| LOSS FROM OPERATIONS                          | (64,199)           | (30,151)           |
| INTEREST INCOME                               | -                  | 1,549              |
| INTEREST EXPENSE                              | -                  | (2,141)            |
| INCOME (LOSS) FOR THE PERIOD                  | (64,199)           | (30,743)           |
| DEFICIT, BEGINNING OF PERIOD                  | (6,594,800)        | (6,266,737)        |
| DEFICIT, END OF PERIOD                        | (6,658,999)        | (6,297,480)        |
| INCOME (LOSS) PER SHARE-BASIC AND DILUTED     | (0.01)             | (0.01)             |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING | 11,186,305         | 4,960,552          |

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**MONT BLANC RESOURCES INC.****INTERIM STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005 (AMENDED)**

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|   | <b>2006</b>        | <b>2005</b>        |
|---|--------------------|--------------------|
|   | <b>\$</b>          | <b>\$</b>          |
|   | <b>(Unaudited)</b> | <b>(Unaudited)</b> |
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>                              |                    |                    |
| Net income (loss) for the period  | (64,199)           | (30,742)           |
| Adjustments to reconcile net loss to net cash used in operating activities: |                    |                    |
| Accrued interest on loans payable   | -                  | 2,141              |
| Accrued interest on loan receivable   | -                  | (1,549)            |
| Stock based compensation  | 10,672             | -                  |
| Amortization expense  | 176                | -                  |
| Changes in operating assets and liabilities:                                |                    |                    |
| Temporary investments   | -                  | -                  |
| Amounts receivable  | (4,825)            | (1,874)            |
| Prepayments   | (2,169)            | -                  |
| Accounts payable and accrued liabilities                                    | 23,167             | 116,613            |
| Due to related parties  | 7,286              | (84,808)           |
| <b>Net Cash Used in Operating Activities</b>                                | <b>(29,892)</b>    | <b>(202)</b>       |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                              |                    |                    |
| Purchase of computer  | (1,957)            | -                  |
| Oil and Gas interest expenditures   | (535,051)          | -                  |
| <b>Net Cash From (Used In) Investing Activities</b>                         | <b>(537,008)</b>   | <b>-</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |                    |                    |
| Share subscriptions received in advance                                     | 100,000            | -                  |
| Capital stock issued net of subscription receivable                         | 807,000            | -                  |
| Share issue costs   | (88,700)           | -                  |
| <b>Net Cash From Financing Activities</b>                                   | <b>818,300</b>     | <b>-</b>           |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                      | <b>251,400</b>     | <b>(220)</b>       |
| <b>CASH – BEGINNING OF PERIOD</b>   | <b>227,961</b>     | <b>2,483</b>       |
| <b>CASH – END OF PERIOD</b>   | <b>479,361</b>     | <b>2,263</b>       |

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**Supplemental Disclosures:**

|                   |   |   |
|-------------------|---|---|
| Interest paid     | - | - |
| Income taxes paid | - | - |

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005**

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**1. BASIS OF REPORTING AND CONTINUING OPERATIONS**

Mont Blanc Resources Inc. (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 was deemed inactive by the TSX Venture Exchange on March 19, 1996 and traded on the NEX until April 6, 2006. After receiving approval from the Exchange the Company's listing was transferred from NEX to the TSX Venture Exchange effective April 7, 2006. 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. The Company is currently actively engaged in a Joint Venture with Magnum Energy Inc. exploring oil and gas opportunities in Southern Alberta.

The Company has incurred significant operating losses and its continued existence is dependent upon the continued support of its shareholders and its ability to obtain additional financing and generate profitable operations in the future. These 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. The Company has an accumulated deficit of \$6,658,999 and has a working capital of \$458,219 as at April 30, 2006. 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. Management is of the opinion that sufficient working capital will be obtained from external financing and from oil and gas production to meet the Company's liabilities and commitments as they become due. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Use of estimates**

The preparation of the financial statements in accordance in Canadian generally accepted accounting principles requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions may affect the reported assets and liabilities and the reported revenue and expenses for the period. Actual results could differ from the estimates and assumptions used.

**b) Oil and gas interests**

The Company follows the full cost method of accounting for oil and natural gas operations. Under this method all costs related to the acquisition, exploration and development of oil and nature gas reserves are capitalized on a country-by-country basis. Such costs include lease rentals, geological and geophysical expenses and annual carrying charges. Proceeds from the sale of properties are applied against capitalized costs, without any gain or loss being recognized, unless such a sale would significantly alter the rate of depletion and depreciation. Depletion of capitalized cost is provided using the unit-of-production method based upon estimated proven oil and natural gas reserves. The costs of significant unevaluated properties, net of impairments, are excluded from costs subject to depletion. These properties are assessed annually to ascertain whether impairment has occurred. If capitalized cost, less related accumulated amortization and future income taxes, exceed the "full cost ceiling", the excess is expensed in the period such excess occurs. The full cost ceiling includes an estimated discounted value of future net revenues attributable to proved reserves using current product prices and operating cost, and an estimate of the value of unproved properties within the cost centre. As at April 30, 2006 and January 31, 2006, the Company does not have any proved reserves. No general and administrative expenses relating to acquisition, exploration and development activities were capitalized.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005**

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## (c) Cash and cash equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

## d) Computer equipment is recorded at cost and depreciated over its estimated life using the declining balance method at 30%. One half of the rate is applied in the year of acquisition.

## e) Stock-based compensation

As of February 1, 2004, the Company adopted the CICA Handbook Section 3870, "stock-based compensation and other stock-based payments" as amended, which established standards for recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. The standard requires that a fair value based method of accounting be applied to all stock-based payments to non-employees and to employee awards that are direct awards of stock that call for settlement in cash or other assets or are stock appreciation rights that call for settlement through the issuance of equity instruments. This standard requires the fair value of the compensation cost attributable to the issuance of stock options granted to employees or directors to be measured at the grant date and expensed over the vesting period with a corresponding increase in contributed surplus. Consideration paid by employees on the exercise of stock options is recorded as share capital.

## f) Income taxes

Income taxes are recorded using the asset and liability method of tax allocation. Future income tax assets and liabilities are determined based on temporary differences and are measured using the current, or substantively enacted, tax rates and laws expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

## g) Financial instruments

The fair values of cash, amounts receivable, loan receivable, accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair values due to the short-term maturity of these financial instruments. In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate or credit risk arising from these financial instruments.

## h) Loss per share

Basic net earnings (loss) per share is computed using the weighted average number of common shares outstanding during the periods. The treasury stock method is used for the calculation of diluted net earnings (loss) per share. Stock options and warrants are dilutive when the average market prices of the common shares during the period exceeds the exercise price of the options and warrants.

## i) Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005**

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## 3. TEMPORARY INVESTMENT

The Company has invested in a GIC that expires December 31, 2006. The temporary investment is recorded at the lower of cost or fair market value. As at April 30, 2006, the fair market value of the investment approximates its carrying value.

## 4. OIL AND GAS INTERESTS

| Southern Alberta - capitalized exploration costs | Apr. 30,<br>2006<br>\$ | Jan. 31,<br>2006<br>\$ |
|--|------------------------|------------------------|
| Balance, beginning of period                     | –                      | –                      |
| Additions  | 535,051                | –                      |
| Balance, end of period                           | 535,051                | –                      |

Mont Blanc has entered into a joint venture arrangement (“Magnum JV”) dated January 11, 2006 with Magnum Energy Inc. 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 to earn a 50% working interest in drill space 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% working interest in the properties.

## 5. DUE TO RELATED PARTIES

|  | Apr 31,<br>2006<br>\$ | Jan. 31,<br>2006<br>\$ |
|--|-----------------------|------------------------|
| Due to Mont Blanc Capital Corp. a company controlled by the CEO, which is non-interest bearing without specific terms of repayment | 9,363                 | 427                    |
| Due to Q4 Financial Group Inc., a company controlled by the CFO, which is non-interest bearing without specific terms of repayment | 1,991                 | 3,641                  |
| Total  | 11,354                | 4,068                  |

Q4 Financial Group Inc. (“Q4”) provides accounting and administrative services to the Company. During the quarter, Q4 charged the Company \$5,700 (2005 – \$4,750) for services, out-of-pocket expenses and consulting.

During the quarter Mont Blanc Capital Corp. was paid \$7,500 (2005 - Nil) in management fees.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005**

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**6. COMMITMENTS**

Effective August 1, 2005, the Company negotiated a replacement agreement with Q4 Financial Group Inc. for monthly and quarterly, accounting, administration and filing services for fees totalling \$3,000 per quarter plus GST. This agreement may be terminated by the Company or by Q4 Financial Group Inc. with the required notice.

Effective September 1, 2005, the Company negotiated an agreement with Mont Blanc Capital Corp. for monthly management services for fees totalling \$2,500 per month plus GST. This agreement may be terminated by the Company or by Mont Blanc Capital Corp. with the required notice.

On January 11, 2006, the Company entered into a Joint Venture agreement with Magnum Energy Inc., pursuant to which the company may earn a 50-per-cent interest in a farm-in agreement with a private junior oil and natural gas producer to drill a minimum of six medium-risk exploration wells in the Cherry area of Southern Alberta. The company has committed to pay 55-per-cent of Magnum's drilling costs to earn the 50-per-cent interest in Magnum's interest, equivalent to a 25-per-cent interest in the entire play.

**7. SHARE CAPITAL**

Authorized share capital - unlimited common shares without par value.

|                                    | Number of<br>shares | Amount      |
|------------------------------------|---------------------|-------------|
| Balance, January 31, 2005          | 4,960,552           | \$5,928,203 |
| Issued for debt (a)                | 4,028,000           | 402,800     |
| Issued for cash (b)                | 1,400,000           | 280,000     |
| <hr/>                              |                     |             |
| Balance, January 31, 2006          | 10,388,552          | 6,611,003   |
| Issued for cash (c)                | 1,800,000           | 900,000     |
| Share issue costs                  | -                   | (88,700)    |
| Share subscriptions receivable (d) | -                   | (93,000)    |
| <hr/>                              |                     |             |
| Balance, April 30, 2006            | 12,188,552          | 7,329,303   |

a) Issued for debt - the Company issued 4,028,000 shares at \$0.10 per share to settle debts totalling \$402,800. Included in the shares for debt settlement were 170,000 common shares issued to Q4 Financial Group Inc. (a company controlled by the CFO) and 2,020,000 common shares issued to the CEO, Jens Biertumpel and his wholly owned company, Mont Blanc Capital Corp.

b) Issued for cash – A private placement was accepted for filing by the TSX Venture Exchange on November 21, 2005 for proceeds of \$280,000, consisting of 1,400,000 shares in the capital stock of the company at a price of \$0.20 per share. Insider participation included Jens Biertumpel, 250,000; Q4 Financial Group Inc. (Dennis Petke), 50,000, Michael Resendes, 25,000, and David George, 50,000.

c) Issued for cash – The company completed two parts of a three part private placement which consists of a total of 2,240,000 units at a price of \$0.50 per Unit. 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.



**MONT BLANC RESOURCES INC.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005**

7. SHARE CAPITAL (Continued)

The first two parts consisted of a total of 1,800,000 units for gross proceeds of \$900,000. Part one, which consisted of 1.0 million units closed March 6, 2006 and part two which consisted of 800,000 units closed on April 10, 2006.

d) Subscriptions receivable relates to proceeds to be received against delivery of certificates and warrants for certain RSP accounts. Subsequent to the quarter all amounts were received in full.

e) Warrants

The following share purchase warrants were outstanding at March 31, 2006:

| Number of Warrants | Exercise Price | Expiry Date    |
|--------------------|----------------|----------------|
| 1,000,000          | \$1.00         | March 6, 2008  |
| 800,000            | \$1.00         | April 10, 2008 |
| 1,800,000          |                |                |

8. STOCK OPTIONS

The Company has a fixed stock-based compensation plan in effect which provides that up to ten percent of the number of shares outstanding may be reserved for stock option grants to eligible optionees. Stock options granted under the plan vest immediately unless otherwise specified in the individual option agreements. At April 30, 2006, this plan provided for the grant of stock options to purchase a maximum of 1,218,855 common shares of which 1,079,000 have been granted and 139,855 options are available for future grants.

The following table summarizes the continuity of the Company's stock options:

|                           | Number of shares | Weighted average exercising price |
|---------------------------|------------------|-----------------------------------|
| Balance, January 31, 2005 | —                | —                                 |
| Granted                   | 1,029,000        | \$0.20                            |
| Balance, January 31, 2006 | 1,029,000        | 0.20                              |
| Granted                   | 50,000           | 0.50                              |
| Balance, April 30, 2006   | 1,079,000        | \$0.21                            |

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2006 AND 2005**

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## 9. CONTRIBUTED SURPLUS

|                              | Apr. 30,<br>2006 | Jan. 31,<br>2006 |
|------------------------------|------------------|------------------|
|                              | \$               | \$               |
| Balance, beginning of period | 216,250          | –                |
| Additions (note 10)          | 10,672           | 216,250          |
| Balance, end of period       | 226,922          | 216,250          |

## 10. STOCK BASED COMPENSATION

During the three months ended April 30, 2006, the Company granted 50,000 (2005 - Nil) stock options to a consultant of the Company. The Company recorded \$10,672 (2005 – Nil) of compensation expense related to the stock options which fully vested upon grant. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions and resulting values:

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|                          | 2006      | 2005 |
|--------------------------|-----------|------|
| Risk-free interest rate  | 3.78%     | –    |
| Expected life of options | 5.0 years | –    |
| Stock price volatility   | 34.0%     | –    |
| Dividend rate            | 0.00%     | –    |

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## 11. SUBSEQUENT EVENTS

- a) On May 19, 2006 the Company closed an offering that consisted of 240,000 units at a price of \$0.50 per unit for gross proceeds of \$120,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles 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 are subject to a four-month hold period. On April 20, 2006 the TSX Venture Exchange accepted for filing documentation with respect to the offering, which was announced on April 11, 2006. Finder's fees in an aggregate amount of \$2,000 were paid to eligible persons. The proceeds of the placement were used in connection with the Joint Venture farm-in program on the oil and gas project announced on January 4, 2006.
- b) As at May 31, 2006 the Company incurred a further \$509,000 in exploration expenditures toward the development of the Southern Alberta property.