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**MONT BLANC RESOURCES INC.  
INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED  
APRIL 30, 2007**

**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, 2007 and January 31, 2007 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, 2007**

	<b>April 30</b> (Unaudited)	<b>January</b> (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	85,460	82,463
Amounts receivable	4,330	13,960
Prepays	5,242	4,019
	<u>95,032</u>	<u>100,442</u>
Restricted investment (Note 3)	11,564	11,532
Property and equipment (Note 4)	236,142	206,956
	<u><b>342,738</b></u>	<u><b>318,930</b></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	34,725	18,193
Due to related parties (Note 5)	283,139	264,705
	<u>317,864</u>	<u>282,898</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	7,851,268	7,831,268
Contributed surplus (Note 9)	230,577	230,577
Deficit	(8,056,971)	(8,025,813)
	<u>24,874</u>	<u>36,032</u>
	<u><b>342,738</b></u>	<u><b>318,930</b></u>

Approved on behalf of the Board:

"Dennis Petke"  
Dennis Petke, Director

"Jens Biertumpel"  
Jens Biertumpel, Director

**MONT BLANC RESOURCES INC.**  
**INTERIM STATEMENTS OF OPERATIONS AND DEFICIT**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
REVENUE	-	-
EXPENSES		
Amortization expense	270	176
Consulting fees	7,233	3,300
Office and miscellaneous	1,736	3,088
Professional fees	1,550	13,569
Rent	4,118	3,450
Stock based compensation (note 10)	-	10,672
Transfer agent and other listing fees	4,771	9,488
Promotion and shareholder communication	-	1,435
Meals and entertainment	1,814	3,254
Travel and automobile	2,166	8,267
Management fees	7,500	7,500
	<b>31,158</b>	<b>64,199</b>
LOSS FOR THE PERIOD	<b>(31,158)</b>	<b>(64,199)</b>
DEFICIT, BEGINNING OF PERIOD	<b>(8,025,813)</b>	<b>(6,594,800)</b>
DEFICIT, END OF PERIOD	<b>(8,056,971)</b>	<b>(6,658,999)</b>
INCOME (LOSS) PER SHARE-BASIC AND DILUTED	<b>(0.01)</b>	<b>(0.01)</b>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<b>13,146,383</b>	<b>11,186,305</b>

**MONT BLANC RESOURCES INC.**  
**INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

	<b>2007</b>	<b>2006</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	(31,158)	(64,199)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accrued interest not received	(32)	-
Stock based compensation	-	10,672
Amortization expense	270	176
Changes in operating assets and liabilities:		
Amounts receivable	9,630	(4,825)
Prepayments	(1,223)	(2,169)
Accounts payable and accrued liabilities	16,532	23,167
Due to related parties	18,434	7,286
<b>Net Cash Used in Operating Activities</b>	<b>12,453</b>	<b>(29,892)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Oil and Gas interest expenditures	(29,456)	(535,051)
Purchase of computer	-	(1,957)
<b>Net Cash From (Used In) Investing Activities</b>	<b>(29,456)</b>	<b>(537,008)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share subscriptions received in advance / payable	20,000	100,000
Capital stock issued net of subscription receivable	-	807,000
Share issue costs	-	(88,700)
<b>Net Cash From Financing Activities</b>	<b>20,000</b>	<b>818,300</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>2,997</b>	<b>251,400</b>
<b>CASH – BEGINNING OF PERIOD</b>	<b>82,463</b>	<b>227,961</b>
<b>CASH – END OF PERIOD</b>	<b>85,460</b>	<b>479,361</b>
<b>Supplemental Disclosures:</b>		
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, 2007 AND 2006**

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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 \$8,056,971 and has a working capital of \$222,832 as at April 30, 2007. 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) Measurement Uncertainty**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The Company uses estimates to calculate amortization, stock based compensation and to assess impairment of oil and gas properties.

For oil and gas properties, the Company calculates depletion and assesses impairment using management estimates of oil and gas reserves remaining in properties, commodity prices and capital costs required to develop those reserves. By their nature, estimates of volumes and the related future cash flows are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts on the financial statements of future periods could be material. Such reserve estimates, which have been estimated by independent engineering firms, are subject to change as additional information becomes available.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****b) Oil and gas properties**

The Company employs the full cost method of accounting for oil and gas properties whereby all costs relating to exploration and development of reserves are capitalized into geographical cost centres. Capitalized costs include lease acquisition costs, the costs of geological and geophysical activities, the costs of drilling both productive and non-productive wells, carrying charges for non-producing properties and overhead costs directly related to exploration and development activities.

Capitalized costs are depleted using the unit-of-production method based on estimated proven reserves, as determined by an independent engineer. For the purposes of the depletion calculation, proven reserves are converted to a common unit of measure on the basis of their approximate relative energy content.

In applying the full-cost method, the Company performs a ceiling test to ensure that capitalized costs, net of accumulated depletion, do not exceed the estimated future net revenues from production of proven reserves. The carrying values of the properties are compared annually to estimated future net cash flows from production or proven reserves expected to result from those properties. Future net cash flows are estimated using undiscounted values of future net revenues from proven reserves, based on current prices and costs, less estimated future site restoration costs, and other relevant assumptions.

When the ceiling test indicates an excess of carrying value, the Company measures the amount of impairment by comparing the carrying amounts of property to an amount equal to the estimated net present value of future cash flows from proved plus probable reserves and the sale of unproved properties. Any excess carrying value is recorded as a permanent impairment.

Proceeds on disposal of properties are normally recorded as reductions of the capitalized costs without recognition of a gain or loss, except where such a disposal would alter the depletion rate by 20% or more.

Costs of acquisition and evaluation of unproven properties are initially excluded from the depletion calculation. The Corporation periodically reviews costs associated with unproven properties to determine whether they are likely to be recovered. When such costs are not likely to be recovered, or when proved reserves are found to be attributable to the properties, the values of these properties are moved to the depletion pool.

When the Company evaluates its unproven properties it takes the following conditions into consideration:

- the existence of future plans for further drilling for the property;
- negative results obtained from studies;
- negative results obtained from studies conducted on properties in the same geographical area; and
- the adequacy of remaining terms to allow for further studies or drilling.

**c) Cash and short term investments**

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. Short-term investments are recorded at the lower of cost or fair market value.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

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

## d) Office equipment

Office equipment is stated at cost less accumulated amortization over its estimated useful life using the declining balance method at 30%. One half of the rate is applied in the year of acquisition.

## e) Asset retirement obligation

The Company recognizes and measures the liabilities for obligations associated with the retirement of petroleum and natural gas properties when those obligations result from the acquisition, construction, development or normal operation of the asset. The obligation is measured at fair value and the related costs recorded as part of the carrying value of the related asset. In subsequent periods, the liability is adjusted for the change in present value and any changes in the amount or timing of the underlying future cash flows required to settle the obligation. Actual costs to retire petroleum and natural gas properties are deducted from the accrued liability as these costs are incurred. As at January 31, 2007, the Company has not incurred any asset retirement obligation related to the development of its petroleum and natural gas properties.

## f) Stock-based compensation

The Company follows CICA Handbook Section 3870, "stock-based compensation and other stock-based payments", 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.

## g) Income taxes

The Company recognizes income taxes 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.

## h) Flow-through shares

The Company follows EIC-146, for flow-through share transactions. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures, to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized for the net tax effect of the deductions renounced, and share capital is reduced.

If the Company has sufficient unrecognized tax losses carried forward or other unrecognized future income tax assets to offset all or part of this future income tax liability, a portion of such unrecognized future income tax assets is recorded as a future income tax recovery up to the amount of the future income tax liability that would otherwise be recognized.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

## i) Financial instruments

The fair values of cash, amounts receivable, restricted investment, accounts payable and amounts 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.

## j) Loss per share

Basic net 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 exceed the exercise price of the options and warrants.

## k) Comparative figures

Certain comparative figures for 2006 have been reclassified to conform to the current period's presentation.

**3. RESTRICTED INVESTMENT**

The Company has pledged a GIC to provide collateral for the Company's credit cards. The pledged GIC is classified as restricted investments because these funds are not available for the Company's daily operations.

**4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Depletion and Amortization	2007 Net Book Value	2006 Net Book Value
	\$	\$	\$	\$
Proven developed oil and gas properties	217,762	–	217,762	192,885
Well equipment	15,503	–	15,503	10,924
Computer hardware and software	4,309	1,432	2,877	3,147
	237,574	1,432	236,142	206,956

On January 11, 2006 the Company entered into a joint venture arrangement ("Magnum Arrangement") 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. The Magnum Arrangement is a related party transaction as Magnum and the Company have one director in common.

Magnum Energy Inc. ("Magnum") entered into the FORA with a private Alberta company ("Farmor"). 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 will 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.



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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

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**4. PROPERTY AND EQUIPMENT (continued)**

Pursuant to the terms of the Magnum Arrangement, 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 Arrangement, the Company will pay 55% of the drilling costs to earn a 25% working interest in the properties.

Pursuant to the agreement the Company agreed to pay 55% of all costs, expenses, obligations, risks and liabilities necessarily incurred by Magnum until such time as certain wells were drilled to earn a 25% working interest in the properties. As at April 30, 2007 the Company owed Magnum \$264,285 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.

During the period, the Company incurred \$29,456 to develop the property pursuant to these arrangements.

During the 2007 year, the Company performed a ceiling test on the oil and gas properties and determined that the 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 \$203,809 includes the future estimated \$375,000 cost for a pipeline, which the Company is committed to incur in the 2008 fiscal year end. 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%.

**5. DUE TO RELATED PARTIES**

The following is a summary of amounts owing to directors and/or companies controlled by directors of the Company or companies with common directors which are all unsecured, non-interest bearing and due on demand.

	April 30 2007	Jan 31 2007
Due to a company controlled by a director	\$ 9,363	\$ 15,813
Due to a company controlled by a director	1,991	6,563
Due to a director of the company	7,500	7,500
Due to Magnum, a company with a common director (see Note 4)	264,285	234,829
	<u>\$ 283,139</u>	<u>\$ 264,705</u>

**6. COMMITMENTS**

Effective August 1, 2006, the Company negotiated a replacement agreement with Q4 Financial Group Inc., a company controlled by a director, for monthly and quarterly, accounting, administration and filing services for fees totalling \$2,000 per month plus GST. This agreement may be terminated by the Company or by Q4 Financial Group Inc. with three months notice.

Effective August 1, 2005, the Company negotiated an agreement with Mont Blanc Capital Corp., a company controlled by a director, for monthly management services totalling \$2,500 per month. This agreement may be terminated by the Company or by Mont Blanc Capital Corp. with 3 months notice.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

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## 7. SHARE CAPITAL

Authorized share capital – 100,000,000 common shares without par value.

	Number of Shares	Amount
Issued:		
Balance, January 31, 2006	10,388,552	6,611,003
Issued for cash (a)	2,040,000	1,020,000
Issued for cash (b)	717,831	323,024
Share issue costs	-	(99,759)
Share subscriptions receivable	-	(23,000)
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Balance, January 31, 2007	13,146,383	7,831,268
Share subscriptions received	-	20,000
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Balance, April 30, 2007	13,146,383	\$7,851,268

- a) Issued for cash - The Company completed a three part private placement, which consisted of a total of 2,040,000 units at a price of \$0.50 per unit. Each unit consisted 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 have a four-month hold period.
- b) Issued for cash - The Company completed a flow-through private placement on October 18, 2006 consisting of 717,831 Units at \$0.45 per Unit for gross proceeds of \$323,024. Each Unit consisted of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to acquire one non-flow-through common share, at a price of \$0.60 per share until April 17, 2007 and at a price of \$1.00 per share from April 18, 2007 until April 17, 2008. The shares, and any shares issued on exercise of the warrants, are subject to a hold period until February 18, 2007.

The Company received \$20,000 of the share subscriptions receivable in the current period.

## c) Warrants

The following share purchase warrants were outstanding at April 30, 2007:

Number of Warrants	Exercise Price	Expiry Dates
1,000,000	\$0.60 and \$1.00	January 31, 2007/March 6, 2008 (*)
800,000	\$0.60 and \$1.00	January 31, 2007/April 10, 2008 (*)
240,000	\$0.60 and \$1.00	January 31, 2007/May 19, 2008 (*)
717,831	\$0.60 and \$1.00	April 17, 2007/April 17, 2008
<hr/>		
2,757,831		

- (\*) The Company received TSX Venture approval to re-price its warrants. The warrants are exercisable at \$0.60 per share until January 31, 2007 and \$1.00 thereafter according to their original expiry dates.

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**MONT BLANC RESOURCES INC.****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED APRIL 30, 2007 AND 2006**

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**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. At April 30, 2007, this plan provided for the grant of stock options to purchase a maximum of 1,314,638 common shares of which 1,079,000 have been granted and 235,638 options are available for future grants.

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

	Number of Shares	Weighted Average Exercise Price \$
Balance, January 31, 2005	—	—
Granted during the year (Note 10)	1,029,000	0.20
Balance, January 31, 2006	1,029,000	0.20
Granted during the year (Note 10)	50,000	0.50
Balance, January 31, 2007 and April 30, 2007	1,079,000	0.21

**9. CONTRIBUTED SURPLUS**

	<b>April 30 2006</b>	<b>Jan 31 2007</b>
Balance, beginning of the period	\$ 230,577	216,250
Additions: stock-based compensation (Note 10)	-	14,327
Balance, end of period	\$ 230,577	230,577

**11. RELATED PARTY TRANSACTIONS**

During the three months ended April 30, 2007, the Company incurred the following related party transactions:

- The Company paid \$7,500 (2006: \$7,500) for management services to Mont Blanc Capital Corp.
- The Company paid or accrued \$7,500 (2006: \$5,700) for accounting, consulting and administrative services to Q4 Financial Group Inc.

All the above transactions are considered in the normal course of operations and in management's opinion undertaken with the same terms and conditions as transactions with unrelated parties.