

MOUNTAIN BOY MINERALS LTD.
INTERIM FINANCIAL STATEMENTS

August 31, 2006

(Unaudited)

THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2006 AND 2005 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

MOUNTAIN BOY MINERALS LTD.
INTERIM BALANCE SHEETS
August 31, 2006 and November 30, 2005
(Unaudited)

	<u>August 31,</u> <u>2006</u>	<u>November 30,</u> <u>2005</u>
<u>ASSETS</u>		
Current		
Cash and term deposits	\$ 2,062,900	\$ 40,862
Accounts receivable	-	104,905
GST receivable	5,352	48,679
Prepaid expenses – Note 3	<u>6,300</u>	<u>4,000</u>
	2,074,552	198,446
Deposits	24,873	24,873
Property, plant and equipment	344,388	43,702
Resource properties – Schedule and Note 3	<u>2,980,833</u>	<u>2,114,732</u>
	<u>\$ 5,423,646</u>	<u>\$ 2,381,753</u>
<u>LIABILITIES</u>		
Current		
Accounts payable – Note 3	\$ 295,931	\$ 282,212
Due to related parties – Note 3	<u>100</u>	<u>100</u>
	<u>296,031</u>	<u>282,312</u>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Notes 2, 4 and 5	6,369,134	2,884,997
Obligation to issue shares	-	120,000
Contributed surplus	650,767	418,644
Deficit	<u>(1,891,286)</u>	<u>(1,324,200)</u>
	<u>5,128,615</u>	<u>2,099,441</u>
	<u>\$ 5,424,646</u>	<u>\$ 2,381,753</u>

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
INTERIM STATEMENTS OF LOSS AND DEFICIT
for the three and nine months ended August 31, 2006 and 2005
(Unaudited)

	Three months ended August 31,		Nine months ended August 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General and Administrative Expenses				
Accounting and auditing fees	\$ 16,600	\$ 5,900	\$ 32,733	\$ 17,775
Amortization	17,494	3,594	38,189	10,511
Bank charges and interest	167	107	506	221
Consulting fees – Note 3	-	-	-	1,525
Filing fees	1,935	242	15,784	8,549
Investor relations	16,881	9,000	43,721	15,000
Legal fees	57,822	1,908	73,655	16,528
Management fees – Note 3	15,000	6,000	36,000	18,000
Office and miscellaneous	20,093	1,831	38,603	10,568
Promotion and trade show	-	-	-	4,443
Stock-based compensation – Note 2	78,621	53,365	303,023	182,001
Telephone	5,266	1,236	9,311	3,280
Transfer agent fees	<u>4,764</u>	<u>1,072</u>	<u>8,097</u>	<u>5,168</u>
Loss before other items and income tax provision	(234,643)	(84,255)	(599,622)	(293,569)
Other items:				
Interest income	76	1,304	296	1,304
Drilling income	<u>-</u>	<u>-</u>	<u>32,240</u>	<u>-</u>
Loss before income tax provision	(234,567)	(82,951)	(567,086)	(292,265)
Recovery of future income tax asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,531</u>
Net loss for the period	<u>\$ (234,567)</u>	<u>\$ (82,951)</u>	(567,086)	(255,734)
Deficit, beginning of the period			<u>(1,324,200)</u>	<u>(855,035)</u>
Deficit, end of the period			<u>\$ (2,223,805)</u>	<u>\$ (1,110,769)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
Weighted average number of shares outstanding	<u>21,421,021</u>	<u>13,109,326</u>	<u>18,121,924</u>	<u>10,623,617</u>

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
INTERIM STATEMENTS OF CASH FLOWS
for the three and nine months ended August 31, 2006 and 2005
(Unaudited)

	Three months ended August 31,		Nine months ended August 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Operating Activities				
Net loss for the period	\$ (234,567)	\$ (82,951)	\$ (567,086)	\$ (255,734)
Add (deduct) items not affecting cash:				
Amortization	17,494	3,594	38,189	10,511
Stock –based compensation	78,621	53,365	303,023	182,001
Recovery of future income tax asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,531)</u>
	(138,452)	(25,992)	(225,874)	(99,753)
Changes in non-cash working capital items related to operations:				
Accounts receivable	-	(15,485)	104,905	7,358
GST receivable	6,781	-	43,327	-
Prepaid expenses	42,500	-	(2,300)	-
Accounts payable	136,633	(75,159)	137,904	(29,321)
Advance on exploration expenditures	-	69,099	-	69,099
Due to related parties	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,300)</u>
	<u>47,462</u>	<u>(47,537)</u>	<u>57,962</u>	<u>(66,917)</u>
Financing Activities				
Shares issued for cash	2,602,657	48,000	3,049,052	181,920
Share subscriptions received	<u>-</u>	<u>11,150</u>	<u>-</u>	<u>11,150</u>
	<u>2,602,657</u>	<u>59,150</u>	<u>3,049,052</u>	<u>193,070</u>
Investing Activities				
Decrease (increase) in resource property costs, net	(887,541)	11,646	(746,101)	(89,989)
Advances on resource property agreements	-	-	-	24,500
Acquisition of Property, plant and equipment	<u>(150,343)</u>	<u>-</u>	<u>(338,875)</u>	<u>(25,157)</u>
	<u>(1,037,884)</u>	<u>11,646</u>	<u>(1,084,976)</u>	<u>(90,646)</u>
Increase in cash during the period	1,612,235	23,259	2,022,038	35,507
Cash, beginning of the period	<u>450,665</u>	<u>172,635</u>	<u>40,862</u>	<u>160,387</u>
Cash, end of the period	<u>\$ 2,062,900</u>	<u>\$ 195,894</u>	<u>\$ 2,062,900</u>	<u>\$ 195,894</u>
Supplemental disclosure of cash flow information				
Cash paid for:				
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions – Note 4

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
SCHEDULE OF RESOURCE PROPERTIES
for the nine months ended August 31, 2006
(Unaudited)

	<u>Mountain Boy</u>	<u>MacKenzie</u>	<u>Silver Coin/FR Kansas/Indi</u>	<u>Slippery Willow</u>	<u>Other Properties</u>	<u>Total</u>
Acquisition costs						
Balance, beginning of the period	\$ 916,158	\$ 102,569	\$ 69,440	\$ 50,000	\$ 130,460	\$ 1,268,627
Cash	-	-	-	-	-	-
Shares	-	-	-	-	-	-
Staking	<u>1,518</u>	<u>-</u>	<u>4,029</u>	<u>-</u>	<u>-</u>	<u>5,547</u>
Balance, end of the period	<u>917,676</u>	<u>102,569</u>	<u>73,469</u>	<u>50,000</u>	<u>130,460</u>	<u>1,274,174</u>
Deferred exploration and development costs:						
Balance, beginning of the period	<u>308,379</u>	<u>78,410</u>	<u>397,085</u>	<u>-</u>	<u>62,231</u>	<u>846,105</u>
Assaying	-	-	86,207	-	-	86,207
Drilling and blasting	16,023	-	469,949	-	-	485,972
Geological – Note 4	-	-	287,194	-	-	287,194
Labour	-	-	22,830	-	-	22,830
Road clearing	11,542	-	250,402	-	21,715	283,659
Supplies and miscellaneous – Note 4	-	-	130,725	-	100	130,825
Trucking	-	-	13,418	-	-	13,418
Travel and transport	23,230	-	64,416	-	-	87,646
Less: expense reimbursements	<u>-</u>	<u>-</u>	<u>(537,197)</u>	<u>-</u>	<u>-</u>	<u>(537,197)</u>
	<u>50,795</u>	<u>-</u>	<u>787,944</u>	<u>-</u>	<u>21,815</u>	<u>860,554</u>
Balance, end of the period	<u>359,174</u>	<u>78,410</u>	<u>1,185,029</u>	<u>-</u>	<u>84,046</u>	<u>1,706,659</u>
Total costs, August 31, 2006	<u>\$ 1,276,850</u>	<u>\$ 180,979</u>	<u>\$ 1,258,498</u>	<u>\$ 50,000</u>	<u>\$ 214,506</u>	<u>\$ 2,980,833</u>

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
August 31, 2006 and 2005
(Unaudited)

Note 1 Interim Reporting

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. All adjustments are of a normal recurring nature. It is suggested that these interim financial statements be read in conjunction with the Company's audited November 30, 2005 annual financial statements. These statements follow the same accounting policies and methods of their application as the Company's audited November 30, 2005 annual financial statements.

Note 2 Share Capital

Authorized:

Unlimited number of common shares without par value

Issued:

	<u>Number</u>	<u>Amount</u>
Balance, November 30, 2005	15,964,654	\$ 2,884,997
For cash:		
Pursuant to exercise of share purchase options - at \$0.33	170,000	56,100
Pursuant to exercise of share purchase options - at \$0.28	140,000	39,200
Pursuant to private placements - at \$0.65	153,000	99,450
- at \$0.60	4,653,898	2,792,339
- at \$0.50	1,250,000	625,000
Pursuant to debt settlement - at \$0.60	206,975	124,185
Pursuant to acquisition of resources properties	250,000	120,000
Share issue costs	-	(443,037)
Transfer from contributed surplus on exercise of share purchase options	-	70,900
	<u>22,788,527</u>	<u>\$ 6,369,134</u>
Balance, August 31, 2006		

Commitments:

During the period ended August 31, 2006, the Company issued 153,000 units at \$0.65 per unit and 4,653,898 units at \$0.60 per unit. Each unit consists of a flow-through common share and one share purchase warrant exercisable into one common share. Proceeds received from the issue of flow-through shares will be used for exploration expenditures to be renounced in favour of the investors and the deduction will not be available to the Company.

Note 2 Share Capital – (cont'd)

Commitments – (cont'd)

During the period ended August 31, 2006, the Company also issued 1,250,000 units at \$0.50. Each unit consists of a non flow-through common share and one share purchase warrant exercisable into one common share.

As at August 31, 2006, warrants outstanding consist of the following:

<u>Number</u>	<u>Warrant Exercise Price</u>	<u>Warrant Expiry Date</u>
153,000	\$0.80	March 27, 2008
833,332	\$0.75	May 19, 2008
2,487,234	\$0.75	June 7, 2008
500,000	\$0.75	July 5, 2008
<u>2,083,332</u>	\$0.75	July 10, 2008
<u><u>6,056,898</u></u>		

Compensation Units

During the period ended August 31, 2006, in connection with private placements, the Company issued 590,389 compensation units. Each compensation unit is exercisable at \$0.50 per unit into one common share expiring May 19-July 10, 2008 and one warrant. Each warrant is exercisable into one common share at \$0.75 per share expiring May 19-July 10, 2008.

Stock-based Compensation Plan

The Company has granted directors, employees and consultants common share purchase options. These options are granted with an exercise price equal to the market price of the Company's shares on the date of the grant. Under the stock option plan, 25% of the options vest when granted and 12-1/2% vest every three months thereafter.

Note 2 Share Capital – (cont'd)

Commitments – (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the stock option plan is presented below:

	Nine months ended August 31,			
	2006		2005	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of the period	2,876,000	\$0.32	2,340,000	\$0.19
Granted	560,000	\$0.63	1,189,000	\$0.23
Exercised	<u>(310,000)</u>	\$0.31	<u>(953,000)</u>	\$0.10
Outstanding, end of the period	<u>3,126,000</u>	\$0.38	<u>2,576,000</u>	\$0.24
Exercisable, end of the period	<u>2,626,000</u>	\$0.32	<u>1,640,500</u>	\$0.23

During the nine months ended August 31, 2006, stock-based compensation expense of \$303,023 was recorded. The fair value of the compensation expense has been determined using the Black-Scholes option pricing model with the following assumptions:

Weighted average fair value of options granted	\$0.38
Expected dividend yield	0.0%
Expected volatility	88.3-110%
Risk-free interest rate	2.76-3.13%
Expected term in years	2-5

Note 2 Share Capital – (cont'd)

Commitments – (cont'd)

Stock-based Compensation Plan – (cont'd)

As at August 31, 2006, there are 3,126,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number</u>	<u>Price</u>	<u>Expiry</u>
197,000	\$0.10	January 4, 2007
145,000	\$0.10	February 5, 2008
400,000	\$0.64	February 9, 2008
100,000	\$0.63	July 5, 2008
41,000	\$0.14	November 13, 2008
144,000	\$0.33	June 25, 2009
250,000	\$0.25	September 3, 2009
300,000	\$0.33	November 30, 2009
364,000	\$0.25	December 13, 2009
375,000	\$0.22	December 22, 2009
250,000	\$0.22	April 1, 2010
500,000	\$0.69	September 1, 2010
<u>60,000</u>	<u>\$0.60</u>	<u>April 6, 2011</u>
<u>3,126,000</u>		

Note 3 Related Party Transactions

The Company incurred the following charges with directors:

	Three months ended August 31,		Nine months ended May 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Resource properties				
Deferred exploration costs				
Geological	\$ 27,405	\$ 47,051	\$ 82,405	\$ 64,651
Supplies	-	11,446	-	14,946
Management fees	15,000	6,000	36,000	18,000
Consulting fees	-	-	-	1,525
	<u>\$ 42,405</u>	<u>\$ 64,497</u>	<u>\$ 118,405</u>	<u>\$ 99,122</u>

The charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

Note 3 Related Party Transactions – (cont'd)

The following amounts are due to the directors of the Company or to companies with directors in common:

	August 31, <u>2006</u>	November 30, <u>2005</u>
Accounts payable	\$ -	\$ 17,026
Due to related parties	<u>100</u>	<u>100</u>
	<u>\$ 400</u>	<u>\$ 17,126</u>

Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

As at August 31, 2006, prepaid expenses and advances include \$5,000 (November 30, 2005: \$Nil) for prepaid management fees to two directors.

During the period ended August 31, 2006, the Company issued to directors 212,000 common shares at \$0.33-\$0.60 per share for total proceeds of \$81,300.

Note 4 Non-cash Transactions

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statement of cash flows.

For the period ended August 31, 2006, the Company

- issued 250,000 common shares valued at \$0.48 per share pursuant to the acquisition of resource properties.
- issued 206,975 common shares valued at \$0.60 per share to settle accounts payable of \$124,185.

Note 5 Subsequent Event

Subsequent to August 31, 2006, the Company granted share purchase options to purchase up to 75,000 shares of the Company at \$0.70 per share for a five-year period.