

**MOUNTAIN BOY MINERALS LTD.**  
**INTERIM FINANCIAL STATEMENTS**

February 28, 2007

(Unaudited)

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THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED FEBRUARY 28, 2007 AND FEBRUARY 28, 2006 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

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**MOUNTAIN BOY MINERALS LTD.**  
**INTERIM BALANCE SHEETS**  
February 28, 2007 and November 30, 2006  
(Unaudited)

	February 28, <u>2007</u>	November 30, <u>2006</u>
<b><u>ASSETS</u></b>		
Current		
Cash and cash equivalents	\$ 1,251,882	\$ 1,306,124
Accounts receivable	6,244	12,884
GST receivable	-	12,517
Marketable securities – Note 2	204,000	-
Prepaid expenses and advances – Note 4	<u>8,000</u>	<u>5,000</u>
	1,470,126	1,336,525
Deposits	35,054	35,054
Property and equipment	348,374	377,016
Resource properties – Schedule 1 and Note 4	<u>4,341,498</u>	<u>4,273,376</u>
	<u>\$ 6,195,052</u>	<u>\$ 6,021,971</u>
<b><u>LIABILITIES</u></b>		
Current		
Accounts payable – note 4	<u>\$ 147,642</u>	<u>\$ 197,854</u>
<b><u>SHAREHOLDERS' EQUITY</u></b>		
Share capital – Notes 3 and 6	7,175,560	6,992,586
Contributed surplus	1,266,146	1,035,129
Deficit	<u>(2,394,296)</u>	<u>(2,203,598)</u>
	<u>6,047,410</u>	<u>5,824,117</u>
	<u>\$ 6,195,052</u>	<u>\$ 6,021,971</u>

SEE ACCOMPANYING NOTES

**MOUNTAIN BOY MINERALS LTD.**  
**INTERIM STATEMENTS OF LOSS AND DEFICIT**  
for the three months ended February 28, 2007 and 2006  
(Unaudited)

	<u>2007</u>	<u>2006</u>
General and administrative expenses		
Accounting and auditing fees	\$ 8,000	\$ 13,750
Amortization	10,109	3,278
Consulting fees – Note 4	18,500	-
Filing fees	8,662	6,252
Investor relations	9,000	5,721
Legal fees	8,300	15,833
Management fees – Note 4	15,000	6,000
Office and miscellaneous	17,041	1,674
Promotion and trade show	28,488	250
Repairs and maintenance	38,690	-
Stock-based compensation – Note 3	217,639	125,374
Telephone	5,615	1,306
Transfer agent fees	<u>1,925</u>	<u>1,513</u>
Loss before other items	(386,969)	(180,951)
Other items:		
Interest income	1,131	-
Proceeds on sale of resource property – Note 2	<u>195,140</u>	<u>-</u>
Net loss for the period	(190,698)	(180,951)
Deficit, beginning of period	<u>(2,203,598)</u>	<u>(1,324,200)</u>
Deficit, end of period	<u>\$ (2,394,296)</u>	<u>\$ (1,505,151)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>24,665,803</u>	<u>16,234,209</u>

SEE ACCOMPANYING NOTES

**MOUNTAIN BOY MINERALS LTD.**  
**INTERIM STATEMENTS OF CASH FLOWS**  
for the three months ended February 28, 2007 and 2006  
(Unaudited)

	<u>2007</u>	<u>2006</u>
<b>Operating Activities</b>		
Net loss for the period	\$ (190,698)	\$ (180,951)
Add (deduct) items not affecting cash:		
Amortization	10,109	3,278
Stock-based compensation	217,639	125,374
Proceeds on sale of resource property	<u>(195,140)</u>	<u>-</u>
	(158,090)	(52,299)
Changes to non-cash working capital items related to operations:		
Accounts receivables	6,640	135,489
GST receivable	12,517	-
Prepaid expenses	(3,000)	(35,983)
Accounts payable	(62,656)	(110,332)
Due to related parties	<u>12,444</u>	<u>-</u>
	<u>(192,145)</u>	<u>(63,125)</u>
<b>Financing Activities</b>		
Issuance of share capital	<u>188,702</u>	<u>67,300</u>
<b>Investing Activities</b>		
Proceeds on disposal of resource property	25,000	-
Decrease (increase) in resource properties costs, net	<u>(75,799)</u>	<u>12,804</u>
	<u>(50,799)</u>	<u>(12,804)</u>
Increase (decrease) in cash during the period	(54,242)	16,979
Cash and cash equivalents, beginning of the period	<u>1,306,124</u>	<u>40,862</u>
Cash and cash equivalents, end of the period	<u>\$ 1,251,882</u>	<u>\$ 57,841</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions – Note 5

SEE ACCOMPANYING NOTES

**MOUNTAIN BOY MINERALS LTD.**  
**SCHEDULE OF RESOURCE PROPERTIES**  
for the three months ended February 28, 2007  
(Unaudited)

Schedule 1

	<u>Barbara</u>	<u>MB</u>	<u>MacKenzie</u>	<u>Silver Coin/FR Kansas/Indi</u>	<u>Slippery Willow</u>	<u>Other Properties</u>	<u>Total</u>
Property acquisition costs							
Balance, November 30, 2006	\$ 46,940	\$ 917,676	\$ 102,569	\$ 84,574	\$ 50,000	\$ 97,721	\$ 1,299,480
Staking	-	2,871	-	-	223	1,115	4,209
Less: proceeds on sale	-	-	-	-	(33,333)	-	(33,333)
Balance, February 28, 2007	<u>46,940</u>	<u>920,547</u>	<u>102,569</u>	<u>84,574</u>	<u>16,890</u>	<u>98,836</u>	<u>1,270,356</u>
Deferred exploration and development costs							
Balance, November 30, 2006	<u>177,195</u>	<u>571,827</u>	<u>78,455</u>	<u>2,060,745</u>	-	<u>85,674</u>	<u>2,973,896</u>
Amortization	1,226	1,834	-	15,473	-	-	18,533
Assaying	954	-	-	15,709	-	218	16,881
General and administration	-	-	-	8,031	-	-	8,031
Geological – Note 4	12,104	-	-	18,723	-	7,667	38,494
Helicopter	1,743	-	-	2,905	-	-	4,648
Labour	-	-	-	2,826	-	-	2,826
Supplies and miscellaneous	1,304	-	-	3,104	-	2,241	6,649
Trucking	314	-	-	952	-	-	1,266
Less: optionee reimbursements	-	-	-	(82)	-	-	(82)
	<u>17,645</u>	<u>1,834</u>	<u>-</u>	<u>67,641</u>	<u>-</u>	<u>10,126</u>	<u>97,246</u>
Balance, February 28, 2007	<u>194,840</u>	<u>573,661</u>	<u>78,455</u>	<u>2,128,386</u>	<u>-</u>	<u>95,800</u>	<u>3,071,142</u>
	<u>\$ 241,780</u>	<u>\$ 1,494,208</u>	<u>\$ 181,024</u>	<u>\$ 2,212,960</u>	<u>\$ 16,890</u>	<u>\$ 194,636</u>	<u>\$ 4,341,498</u>

SEE ACCOMPANYING NOTES

**MOUNTAIN BOY MINERALS LTD.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
February 28, 2007 and 2006  
(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, 2006, financial statements. These statements follow the same accounting policies and methods of their application as the Company's audited November 30, 2006, annual financial statements.

Note 2 Resource Property

Slippery Willow Property

By an agreement dated August 16, 2005, the Company acquired from a director a 100% interest in the Slippery Willow property, consisting of three mineral claims situated in the Skeena Mining Division in the Province of British Columbia. As consideration, the Company issued 200,000 common shares valued at \$50,000. By an agreement dated January 29, 2007, the Company sold two of the claims for \$25,000 cash and 120,000 common shares of the purchaser. These shares were valued at \$204,000 being their market value when received. The market value of these securities at February 28, 2007, was \$300,000.

Note 3 Share Capital

Authorized:

Unlimited number of common shares without par value

Issued:

	<u>Number</u>	<u>Amount</u>
Balance, November 30, 2006	24,289,359	\$ 6,992,586
For cash:		
Pursuant to private placements – at \$0.65	299,000	194,350
Pursuant to exercise of share purchase options – at \$0.10	197,000	19,700
Less: issue costs	<u>-</u>	<u>(31,076)</u>
Balance, February 28, 2007	<u>24,785,359</u>	<u>\$ 7,175,560</u>

Note 3 Share Capital – cont'd

Commitments:

During the period ended February 28, 2007, the Company issued 299,000 units at \$0.65 per unit. Each unit consists of one flow-through common share and one share purchase warrant exercisable into one common share. Proceeds received from the issue of flow-through shares must be used for exploration expenditures to be renounced in favour of the investors and the deduction will not be available to the Company. Each warrant is exercisable into one common share at \$0.85 per share expiring between December 7 and December 18, 2008. All of the proceeds received have been allocated to shares issued and no value was allocated to warrants.

In connection with the private placements, the Company issued 17,900 compensation units. Each compensation unit is exercisable until December 16, 2008, at \$0.60 per unit with each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable into one common share at \$0.85 per share until December 18, 2008. The fair value of the compensation units of \$5,728 was included in share issue costs. The value was determined using the Black-Scholes model with the same assumptions as used to determine the fair value of compensation exercise of stock options.

As at February 28, 2007, 7,856,730 share purchase warrants were outstanding. Each share purchase warrant entitles the holder to purchase one common share as follows:

<u>Number</u>	<u>Warrant Exercise Price</u>	<u>Warrant Expiry Date</u>
153,000	\$0.80	March 28, 2008
833,332	\$0.75	May 19, 2008
2,488,069	\$0.75	June 7, 2008
500,000	\$0.75	July 6, 2008
2,083,332	\$0.85	July 12, 2008
1,499,997	\$0.85	November 30, 2008
120,000	\$0.85	December 7, 2008
<u>179,000</u>	\$0.85	December 18, 2008
<u>7,856,730</u>		

Note 3 Share Capital – (cont'd)

Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the stock option plan is presented below:

	Three months ended February 28,			
	2007		2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of the period	3,371,000	\$0.38	2,876,000	\$0.32
Granted	1,761,000	\$0.67	400,000	\$0.64
Exercised	<u>(197,000)</u>	\$0.10	<u>(210,000)</u>	\$0.32
Outstanding, end of the period	<u>4,935,000</u>	\$0.50	<u>3,066,000</u>	\$0.36
Exercisable, end of the period	<u>3,243,625</u>	\$0.41	<u>1,903,378</u>	\$0.22

During the period ended February 28, 2007, stock-based compensation expense of \$217,639 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	\$0.67
Expected dividend yield	0.0%
Expected volatility	72.3% - 119.5%
Risk-free interest rate	2.93 – 3.18%
Expected term in years	2-5

As at February 28, 2007, there are 4,935,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Note 3 Share Capital – (cont'd)

Commitments: - (cont'd)

Stock-based Compensation Plan – (cont'd)

<u>Number</u>	<u>Price</u>	<u>Expiry</u>
145,000	\$0.10	February 5, 2008
200,000	\$0.64	February 9, 2008
41,000	\$0.14	November 13, 2008
144,000	\$0.33	June 25, 2009
100,000	\$0.63	July 5, 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
370,000	\$0.51	March 24, 2011
60,000	\$0.60	April 7, 2011
75,000	\$0.70	October 19, 2011
1,511,000	\$0.67	January 26, 2012
<u>250,000</u>	<u>\$0.69</u>	<u>February 12, 2012</u>
<u>4,935,000</u>		

Note 4 Related Party Transactions

The Company incurred the following charges with directors:

	Three months ended February 28,	
	<u>2007</u>	<u>2006</u>
Resource properties		
Deferred exploration costs		
Geological	\$ 20,328	\$ -
Consulting fees	13,500	-
Management fees	<u>15,000</u>	<u>6,000</u>
	<u>\$ 48,828</u>	<u>\$ 6,000</u>

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

Note 4      Related Party Transactions – (cont'd)

As at February 28, 2007, prepaid expenses and advances include \$5,000 (November 30, 2006: \$5,000) for prepaid management fees to the directors and accounts payable includes \$12,444 (November 30, 2006: \$Nil) for unpaid fees and expense reimbursements.

Note 5      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 February 28, 2007, the Company received 120,000 common shares of a public company valued at \$1.20 per share pursuant to the sale of resource properties.

For the period ended February 28, 2006, the Company issued 250,000 common shares valued at \$0.48 per share to settle an obligation to issue shares pursuant to the acquisition of resource properties.

Note 6      Subsequent Events

Subsequent to February 28, 2007:

- a) The Company issued 270,000 shares at \$0.22 to \$0.25 per share pursuant to the exercise of share purchase options for total proceeds of \$65,400.
- b) The Company granted share purchase options to a director to purchase up to 270,000 shares of the Company at \$0.79 per share until March 6, 2011.
- c) The Company entered into an agreements to purchase a 100% interest in the Iceberg 1-23 claims, the Melt 1-27 claims and the Freeze 1-28 claims, for consideration consisting of 600,000 common shares of the Company.