

MOUNTAIN BOY MINERALS LTD.

INTERIM FINANCIAL STATEMENTS

May 31, 2007

(Unaudited)

THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2007 AND 2006 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

MOUNTAIN BOY MINERALS LTD.
INTERIM BALANCE SHEETS
 May 31, 2007 and November 30, 2006
 (Unaudited)

	<u>May 31,</u> <u>2007</u>	<u>November 30,</u> <u>2006</u>
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 916,951	\$ 1,306,124
Accounts receivable	11,968	12,884
GST receivable	14,320	12,517
Marketable securities – Note 3	126,000	-
Prepaid expenses – Note 5	<u>5,500</u>	<u>5,000</u>
	1,074,739	1,336,525
Reclamation deposits	45,055	35,054
Property and equipment – Note 2	345,631	377,016
Resource properties – Schedule 1 and Notes 3, 5 and 7	<u>5,357,413</u>	<u>4,273,376</u>
	<u>\$ 6,822,838</u>	<u>\$ 6,021,971</u>
<u>LIABILITIES</u>		
Current		
Accounts payable	<u>\$ 248,071</u>	<u>\$ 197,854</u>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Notes 4 and 7	7,943,160	6,992,586
Contributed surplus	1,391,673	1,035,129
Deficit	<u>(2,760,066)</u>	<u>(2,203,598)</u>
	<u>6,574,767</u>	<u>5,824,117</u>
	<u>\$ 6,822,838</u>	<u>\$ 6,021,971</u>
Commitments – Notes 4 and 7		
Subsequent Events – Note 7		

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
INTERIM STATEMENTS OF LOSS AND DEFICIT
for the three and six months ended May 31, 2007 and 2006
(Unaudited)

	Three months ended May 31,		Six months ended May 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General and administrative expenses				
Accounting and auditing fees	\$ 24,024	\$ 2,383	\$ 32,024	\$ 16,133
Amortization	12,209	17,417	22,318	20,695
Bank charges and interest	160	303	160	339
Consulting fees – Note 5	18,600	-	37,100	-
Filing fees	10,758	7,597	19,420	13,849
Investor relations and shareholder information	9,000	21,119	18,000	26,840
Legal fees	15,739	-	24,039	15,833
Management fees – Note 5	15,000	15,000	30,000	21,000
Meals	1,259	-	1,259	-
Office and miscellaneous	10,739	16,622	27,780	18,510
Promotion and trade show	785	-	29,273	-
Rent	6,000	-	6,000	-
Repairs and maintenance	10,138	-	48,828	-
Stock-based compensation	165,077	99,028	382,716	224,402
Telephone – Note 5	2,559	2,739	8,174	4,045
Transfer agent fees	2,262	1,820	4,187	3,333
Travel	<u>12,960</u>	<u>-</u>	<u>12,960</u>	<u>-</u>
Loss before other items and income tax provision	(317,269)	(184,028)	(704,238)	(364,979)
Other items:				
Interest income	9,224	220	10,355	220
Drilling income	-	32,240	-	32,240
Proceeds on sale of resource property – Note 3	-	-	195,140	-
Write-down of marketable securities	(78,000)	-	(78,000)	-
Other revenue	<u>20,275</u>	<u>-</u>	<u>20,275</u>	<u>-</u>
Net loss for the period	<u>\$ (365,770)</u>	<u>\$ (151,568)</u>	\$ (556,468)	(332,519)
Deficit, beginning of the period			<u>(2,203,598)</u>	<u>(1,324,200)</u>
Deficit, end of the period			<u>\$ (2,760,066)</u>	<u>\$ (1,656,719)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of shares outstanding	<u>25,536,881</u>	<u>16,674,505</u>	<u>25,116,562</u>	<u>16,454,249</u>

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
INTERIM STATEMENTS OF CASH FLOWS
for the three and six months ended May 31, 2007 and 2006
(Unaudited)

	Three months ended May 31,		Six months ended May 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Operating Activities				
Net loss for the period	\$ (365,770)	\$ (151,568)	\$ (556,468)	\$ (332,519)
Add (deduct) items not affecting cash:				
Amortization	12,209	17,417	22,318	20,695
Stock-based compensation	165,077	99,028	382,716	224,402
Proceeds on sale of resource property	-	-	(195,140)	-
Write-down of marketable securities	<u>78,000</u>	<u>-</u>	<u>78,000</u>	<u>-</u>
	(110,484)	(35,123)	(268,574)	(87,422)
Changes in non-cash working capital items related to operations:				
Accounts receivable	(5,724)	-	916	104,905
GST receivable	(14,320)	5,962	(1,803)	36,546
Prepaid expenses	2,500	(8,817)	(500)	(44,800)
Accounts payable	112,873	111,603	50,217	1,271
Due to related parties	<u>(12,444)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(27,599)</u>	<u>73,625</u>	<u>(219,744)</u>	<u>10,500</u>
Financing Activity				
Issuance of share capital	<u>67,172</u>	<u>379,095</u>	<u>255,874</u>	<u>446,395</u>
Investing Activities				
Proceeds on disposal of resource property	-	-	25,000	-
Resource property recoveries (costs), net	(336,503)	128,636	(412,302)	141,440
Reclamation deposits	(10,001)	-	(10,001)	-
Acquisition of capital assets	<u>(28,000)</u>	<u>(188,532)</u>	<u>(28,000)</u>	<u>(188,532)</u>
	<u>(374,504)</u>	<u>(59,896)</u>	<u>(425,303)</u>	<u>(47,092)</u>
Increase (decrease) in cash during the period	(334,931)	392,824	(389,173)	409,803
Cash, beginning of the period	<u>1,251,882</u>	<u>57,841</u>	<u>1,306,124</u>	<u>40,862</u>
Cash, end of the period	<u>\$ 916,951</u>	<u>\$ 450,665</u>	<u>\$ 916,951</u>	<u>\$ 450,665</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 6

SEE ACCOMPANYING NOTES

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

Schedule 1

	<u>Barbara</u>	<u>MB</u>	<u>MacKenzie</u>	<u>Iceberg Melt Freeze Redcliff</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
Cash	-	-	-	25,000	-	-	-	25,000
Shares	-	-	-	647,500	-	-	-	647,500
Staking	-	2,871	-	9,675	-	223	1,115	13,884
Less: proceeds on sale	-	-	-	-	-	(33,333)	-	(33,333)
Balance, May 31, 2007	<u>46,940</u>	<u>920,547</u>	<u>102,569</u>	<u>682,175</u>	<u>84,574</u>	<u>16,890</u>	<u>98,836</u>	<u>1,952,531</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	2,451	3,668	-	74,162	30,946	-	-	111,227
Assaying	1,094	-	-	-	15,709	-	218	17,021
Fuel/vehicle	-	-	-	11,946	-	-	-	11,946
General and administration	-	-	-	-	8,031	-	-	8,031
Geological – Note 5	12,104	-	-	42,337	51,701	-	7,667	113,809
Helicopter	1,743	-	-	3,424	2,905	-	-	8,072
Labour	-	-	-	19,848	12,231	-	-	32,079
Road clearing	-	-	-	55,445	-	-	-	55,445
Supplies and miscellaneous	3,157	-	-	56,702	9,178	-	2,241	71,278
Trucking	314	-	-	-	1,846	-	-	2,160
Less: optionee reimbursements	-	-	-	-	(82)	-	-	(82)
	<u>20,863</u>	<u>3,668</u>	<u>-</u>	<u>263,864</u>	<u>132,465</u>	<u>-</u>	<u>10,126</u>	<u>430,986</u>
Balance, May 31, 2007	<u>198,058</u>	<u>575,495</u>	<u>78,455</u>	<u>263,864</u>	<u>2,193,210</u>	<u>-</u>	<u>95,800</u>	<u>3,404,882</u>
	<u>\$ 244,998</u>	<u>\$ 1,496,042</u>	<u>\$ 181,024</u>	<u>\$ 946,039</u>	<u>\$ 2,277,784</u>	<u>\$ 16,890</u>	<u>\$ 194,636</u>	<u>\$ 5,357,413</u>

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
 May 31, 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 Property and Equipment

	<u>Cost</u>	May 31, 2007 <u>Accumulated Amortization</u>	Net <u>Value</u>	November 30, 2006 Net <u>Value</u>
Land	\$ 19,900	\$ -	\$ 19,900	\$ 19,900
Milling equipment	256,659	103,993	152,666	183,419
Vehicles	144,225	55,729	88,496	80,029
Mining equipment	42,085	12,626	29,459	35,773
Building	44,750	1,790	42,960	43,855
Computer equipment	5,929	1,779	4,150	5,040
Office furniture	<u>10,000</u>	<u>2,000</u>	<u>8,000</u>	<u>9,000</u>
	<u>\$523,548</u>	<u>\$ 177,917</u>	<u>\$ 345,631</u>	<u>\$ 377,016</u>

Note 3 Resource Properties

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 May 31, 2007 was \$126,000.

Note 3 Resource Properties – (cont'd)

Iceberg, Melt, Freeze and Redcliff Properties

During the six months ended May 31, 2007, the Company acquired a 100% interest in the Iceberg 1-23 claims, the Melt 1-27 claims, the Freeze 1-28 claims and the Redcliff claims, which are all located in the Skeena mining district of British Columbia. Total consideration paid to the various vendors totaled \$25,000 cash and the issue of 850,000 common shares valued at \$647,500. The Redcliff property is subject to a 2% net smelter return of which the Company may purchase 1% for \$1,000,000 at any time.

Note 4 Share Capital – Note 7

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
	– at \$0.22 70,000	15,400
	– at \$0.25 200,000	50,000
Pursuant to exercise of warrants	– at \$0.75 10,000	7,500
Transfer from contributed surplus	-	47,200
Acquisition of resource properties	– at \$0.77 200,000	154,000
	– at \$0.84 200,000	168,000
	– at \$0.84 200,000	168,000
	– at \$0.63 250,000	157,500
Less: issue costs	-	(31,076)
Balance, May 31, 2007	<u>25,915,359</u>	<u>\$ 7,943,160</u>

Commitments:

Stock-based Compensation Plan

During the period ended May 31, 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.

Note 4 Share Capital – Note 7 – (cont'd)

Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

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.

A summary of the stock option plan is presented below:

	Three months ended May 31,			
	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	2,031,000	\$0.69	400,000	\$0.64
Exercised	<u>(467,000)</u>	\$0.18	<u>(210,000)</u>	\$0.32
Outstanding, end of the period	<u>4,935,000</u>	\$0.53	<u>3,066,000</u>	\$0.36
Exercisable, end of the period	<u>3,458,125</u>	\$0.44	<u>1,903,378</u>	\$0.22

During the period ended May 31, 2007, stock-based compensation expense of \$382,716 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

Note 4 Share Capital – Note 7 – (cont'd)

Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

As at May 31, 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:

<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
164,000	\$0.25	December 13, 2009
305,000	\$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
250,000	\$0.69	February 12, 2012
<u>270,000</u>	<u>\$0.79</u>	<u>March 6, 2012</u>
<u>4,935,000</u>		

Share Purchase Warrants

As at May 31, 2007, 7,846,730 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
2,478,069	\$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>	<u>\$0.85</u>	<u>December 18, 2008</u>
<u>7,846,730</u>		

Note 5 Related Party Transactions

The Company incurred the following charges with directors:

	Six months ended May 31,	
	<u>2007</u>	<u>2006</u>
Resource properties		
Deferred exploration costs		
Geological	\$ 55,015	\$ 55,000
Consulting fees	28,500	-
Management fees	<u>30,000</u>	<u>21,000</u>
	<u>\$ 113,515</u>	<u>\$ 76,000</u>

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

As at May 31, 2007, prepaid expenses and advances include \$5,000 (November 30, 2006: \$5,000) for prepaid management fees to the directors.

Note 6 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.

During the period ended May 31, 2007:

- a) The Company received 120,000 common shares of a public company valued at \$1.20 per share pursuant to the sale of resource properties.
- b) The Company issued 850,000 shares valued at \$647,500 pursuant to the acquisition of resource properties.

During the period ended May 31, 2006:

- a) 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.
- b) The Company issued 206,975 common shares valued at \$0.60 per share to settle accounts payable of \$124,185.

Note 7 Subsequent Events

Subsequent to May 31, 2007:

- a) The Company issued 1,500,000 units at \$0.60 per unit pursuant to private placements. Each unit consisted of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at \$0.85 per share for two years. In connection with the private placements, the Company paid fees of \$69,985 and granted options to the agents to acquire 150,000 units with the same terms.
- b) The Company agreed to acquire an additional 50% interest in the BA, STRO and FR properties located in the Skeena mining division. Consideration is the issue of 750,000 shares. The acquisition is subject to regulatory approval. Upon completion, the Company will have a 100% interest in these properties.