

MOUNTAIN BOY MINERALS LTD.
INTERIM FINANCIAL STATEMENTS

August 31, 2007

(Unaudited)

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

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

	<u>August 31,</u> <u>2007</u>	<u>November 30,</u> <u>2006</u>
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 378,305	\$ 1,306,124
Accounts receivable	3,827	12,884
GST receivable	38,439	12,517
Marketable securities – Note 3	90,000	-
Prepaid expenses – Note 5	<u>5,500</u>	<u>5,000</u>
	516,071	1,336,525
Reclamation deposits	45,053	35,054
Property and equipment – Note 2	315,940	377,016
Resource properties – Schedule 1 and Notes 3 and 5	<u>6,949,145</u>	<u>4,273,376</u>
	<u>\$ 7,826,209</u>	<u>\$ 6,021,971</u>
<u>LIABILITIES</u>		
Current		
Accounts payable	<u>\$ 177,933</u>	<u>\$ 197,854</u>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Notes 4 and 7	9,088,079	6,992,586
Contributed surplus	1,590,630	1,035,129
Deficit	<u>(3,030,433)</u>	<u>(2,203,598)</u>
	<u>7,648,276</u>	<u>5,824,117</u>
	<u>\$ 7,826,209</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 nine months ended August 31, 2007 and 2006
(Unaudited)

	Three months ended August 31,		Nine months ended August 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General and administrative expenses				
Accounting and auditing fees	\$ 7,595	\$ 16,600	\$ 39,619	\$ 32,733
Amortization	11,159	17,494	33,477	38,189
Consulting fees – Note 5	1,400	-	38,500	-
Filing fees	6,800	1,935	26,220	15,784
Investor relations and shareholder information	9,000	16,881	27,000	43,721
Legal fees	26,078	57,822	50,117	73,655
Management fees – Note 5	15,000	15,000	45,000	36,000
Office and miscellaneous	9,274	20,260	38,474	39,109
Promotion and trade show	8,226	-	37,499	-
Rent	2,100	-	8,100	-
Repairs and maintenance	-	-	48,826	-
Stock-based compensation – Note 4	137,807	78,621	520,523	303,023
Telephone	2,131	5,266	10,305	9,311
Transfer agent fees	1,526	4,764	5,713	8,097
Travel	-	-	12,961	-
	<u>-</u>	<u>-</u>	<u>12,961</u>	<u>-</u>
Loss before other items	(238,096)	(234,643)	(942,334)	(599,622)
Other items:				
Interest income	3,729	76	14,084	296
Drilling income	-	-	-	32,240
Proceeds on sale of resource property – Note 3	-	-	195,140	-
Write-down of marketable securities	(36,000)	-	(114,000)	-
Other revenue	-	-	20,275	-
	<u>-</u>	<u>-</u>	<u>20,275</u>	<u>-</u>
Net loss for the period	<u>\$ (270,367)</u>	<u>\$ (234,567)</u>	(826,835)	(567,086)
Deficit, beginning of the period			<u>(2,203,598)</u>	<u>(1,324,200)</u>
Deficit, end of the period			<u>\$ (3,030,433)</u>	<u>\$ (1,891,286)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>
Weighted average number of shares outstanding	<u>27,673,511</u>	<u>21,421,021</u>	<u>25,969,165</u>	<u>18,121,924</u>

SEE ACCOMPANYING NOTES

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

	Three months ended August 31,		Nine months ended August 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Operating Activities				
Net loss for the period	\$ (270,367)	\$ (234,567)	\$ (826,835)	\$ (567,086)
Add (deduct) items not affecting cash:				
Amortization	11,159	17,494	33,477	38,189
Stock-based compensation	137,807	78,621	520,523	303,023
Proceeds on sale of resource property	-	-	(195,140)	-
Write-down of marketable securities	<u>36,000</u>	<u>-</u>	<u>114,000</u>	<u>-</u>
	(85,401)	(138,452)	(353,975)	(225,874)
Changes in non-cash working capital items related to operations:				
Accounts receivable	8,141	-	9,057	104,905
GST receivable	(24,119)	6,781	(25,922)	43,327
Prepaid expenses	-	42,500	(500)	(2,300)
Accounts payable	<u>(70,137)</u>	<u>136,633</u>	<u>(19,920)</u>	<u>137,904</u>
	<u>(171,516)</u>	<u>47,462</u>	<u>(391,260)</u>	<u>57,962</u>
Financing Activity				
Issuance of share capital	<u>784,147</u>	<u>2,602,657</u>	<u>1,040,021</u>	<u>3,049,052</u>
Investing Activities				
Proceeds on disposal of resource property	-	-	25,000	-
Resource property costs, net	(1,151,277)	(887,541)	(1,563,580)	(746,101)
Reclamation deposits	-	-	(10,000)	-
Acquisition of property, plant and equipment	<u>-</u>	<u>(150,343)</u>	<u>(28,000)</u>	<u>(338,875)</u>
	<u>(1,151,277)</u>	<u>(1,037,884)</u>	<u>(1,576,580)</u>	<u>(1,084,976)</u>
Increase (decrease) in cash during the period	(538,646)	1,612,235	(927,819)	2,022,038
Cash, beginning of the period	<u>916,951</u>	<u>450,665</u>	<u>1,306,124</u>	<u>40,862</u>
Cash, end of the period	<u>\$ 378,305</u>	<u>\$ 2,062,900</u>	<u>\$ 378,305</u>	<u>\$ 2,062,900</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 nine months ended August 31, 2007
(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	357,000	-	-	647,500	21,000	-	42,000	1,097,500
Staking	-	2,871	-	10,275	-	223	1,115	14,484
Less: proceeds on sale	-	-	-	-	-	(33,333)	-	(33,333)
Balance, August 31, 2007	<u>403,940</u>	<u>920,547</u>	<u>102,569</u>	<u>682,775</u>	<u>105,574</u>	<u>16,890</u>	<u>140,836</u>	<u>2,403,131</u>
Deferred exploration and development costs								
Balance, November 30, 2006	<u>177,195</u>	<u>571,827</u>	<u>78,455</u>	<u>-</u>	<u>2,060,745</u>	<u>-</u>	<u>85,674</u>	<u>2,973,896</u>
Amortization	20,133	-	-	31,814	3,652	-	-	55,599
Assaying	1,093	-	-	-	15,709	-	218	17,020
Drilling	408,610	9,843	-	646,254	74,120	-	-	1,128,411
Fuel/vehicle	-	-	-	12,117	-	-	-	11,946
General and administration	-	-	-	-	7,949	-	-	7,949
Geological – Note 5	13,104	800	-	52,787	51,701	-	7,667	125,259
Helicopter	1,743	-	-	4,497	2,905	-	-	8,072
Labour	14,310	-	-	19,848	12,231	-	-	46,389
Road clearing	-	24,272	-	85,553	-	-	-	126,785
Supplies and miscellaneous	3,156	-	-	61,202	10,429	-	2,241	72,528
Trucking	314	-	-	-	1,846	-	-	2,160
	<u>462,463</u>	<u>34,915</u>	<u>-</u>	<u>914,072</u>	<u>180,541</u>	<u>-</u>	<u>10,126</u>	<u>1,602,118</u>
Balance, August 31, 2007	<u>639,658</u>	<u>606,742</u>	<u>78,455</u>	<u>914,072</u>	<u>2,241,287</u>	<u>-</u>	<u>95,800</u>	<u>4,576,014</u>
	<u>\$ 1,043,598</u>	<u>\$ 1,527,289</u>	<u>\$ 181,024</u>	<u>\$ 1,596,847</u>	<u>\$ 2,346,861</u>	<u>\$ 16,890</u>	<u>\$ 236,636</u>	<u>\$ 6,949,145</u>

SEE ACCOMPANYING NOTES

MOUNTAIN BOY MINERALS LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
August 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

	August 31, 2007			November 30,
	Cost	Accumulated Amortization	Net Value	2006 Net Value
Land	\$ 19,900	\$ -	\$ 19,900	\$ 19,900
Drilling equipment	256,659	119,369	137,290	183,419
Vehicles	144,225	65,497	78,728	80,029
Mining equipment	42,085	15,782	26,303	35,773
Building	44,750	2,237	42,513	43,855
Computer equipment	5,929	2,223	3,706	5,040
Office furniture	10,000	2,500	7,500	9,000
	\$ 523,548	\$ 207,608	\$ 315,940	\$ 377,016

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. 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 August 31, 2007 was \$90,000.

Barbara, STRO, and FR Properties

During the three months ended August 31, 2007, the Company acquired the remaining 50% interest in the Barbara, STRO and FR properties located in the Skeena mining division, by the issue of 750,000 shares valued at \$420,000. As a result, the Company has a 100% interest in the properties.

Note 3 Resource Properties – (cont'd)

Iceberg, Melt, Freeze and Redcliff Properties

During the nine months ended August 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 was \$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
	– at \$0.60 1,500,000	900,000
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 \$0.84 400,000	336,000
	– at \$0.56 750,000	420,000
	– at \$0.63 250,000	157,500
Less: issue costs	<u>-</u>	<u>(206,157)</u>
Balance, August 31, 2007	<u>28,165,359</u>	<u>\$ 9,088,079</u>

During the period ended August 31, 2007, the Company issued 1,799,000 units at \$0.60 - 0.65 per unit for total proceeds of \$1,094,350. 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 August 10, 2009. 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:

Stock-based Compensation Plan

A summary of the stock option plan is presented below:

	Nine months ended August 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	560,000	\$0.63
Exercised	<u>(467,000)</u>	\$0.18	<u>(310,000)</u>	\$0.31
Outstanding, end of the period	<u>4,935,000</u>	\$0.53	<u>3,126,000</u>	\$0.38
Exercisable, end of the period	<u>3,812,625</u>	\$0.48	<u>2,626,000</u>	\$0.32

During the period ended August 31, 2007, stock-based compensation expense of \$520,523 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 years

As at August 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:

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

Commitments – (cont'd)

Stock-based Compensation Plan – (cont'd)

<u>Number of Options</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>	\$0.79	March 6, 2012
<u>4,935,000</u>		

Share Purchase Warrants

As at August 31, 2007, 9,346,730 share purchase warrants were outstanding. Each share purchase warrant entitles the holder to purchase one common share as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>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
179,000	\$0.85	December 18, 2008
1,000,000	\$0.85	June 26, 2009
<u>500,000</u>	\$0.85	August 10, 2009
<u>9,346,730</u>		

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

Compensation Units

During the period ended August 31, 2007, the Company issued 167,900 compensation units. The fair value of the compensation units of \$59,228 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 expense of stock options. As at August 31, 2007, there are 907,453 compensation units outstanding entitling the holders thereof the right to purchase one unit, with each unit consisting of one common share and one share purchase warrant as follows:

<u>Number of Units</u>	<u>Price</u>	<u>Expiry</u>
83,333	\$0.50	May 19, 2008
247,888	\$0.50	June 7, 2008
50,000	\$0.50	July 6, 2008
208,333	\$0.50	July 12, 2008
149,999	\$0.60	November 30, 2008
17,900	\$0.60	December 18, 2008
100,000	\$0.60	June 26, 2009
<u>50,000</u>	\$0.60	August 10, 2009
<u>907,453</u>		

Each warrant is exercisable into one common share at \$0.70-0.85 per share.

Note 5 Related Party Transactions

The Company incurred the following charges with directors of the Company:

	Nine months ended August 31,	
	<u>2007</u>	<u>2006</u>
Resource properties		
Deferred exploration costs		
Geological	\$ 85,015	\$ 82,405
Consulting fees	33,500	-
Management fees	<u>45,000</u>	<u>36,000</u>
	<u>\$ 163,515</u>	<u>\$ 118,405</u>

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

As at August 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 August 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 1,600,000 shares valued at \$1,097,500 pursuant to the acquisition of resource properties.

During the period ended August 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 August 31, 2007:

- a) The Company issued 3,833,667 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 \$0.70 per share for two years. In connection with the private placements, the Company paid fees of \$148,012 and granted options to the agents to acquire 340,027 units with the same terms.
- b) The Company issued 500,000 units at \$0.50 per unit pursuant to private placements. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at \$0.60 per share for two years.