

Consolidated Financial Statements of

SABLE RESOURCES LTD.

For the Six Months ended June 30, 2007 and 2006

(Unaudited)

The financial statements for the six month period ended June 30, 2007
have not been reviewed by the Company's auditors.

SABLE RESOURCES LTD.

Consolidated Balance Sheet

As at June 30, 2007 and December 31, 2006
(Unaudited)

	June 30, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,443,770	\$ 1,736,975
Accounts receivable	84,707	55,740
Share subscription receivable	-	239,213
Prepaid expenses	562	2,012
	<u>2,529,039</u>	<u>2,033,940</u>
Restricted funds	160,000	160,000
Mineral property interests	108,499	108,499
Plant and equipment, net of accumulated amortization	<u>507,167</u>	<u>118,230</u>
	<u>\$ 3,304,705</u>	<u>\$ 2,420,669</u>
 Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,250	\$ 136,663
Loan payable to related party	36,000	36,000
	<u>100,250</u>	<u>172,663</u>
Shareholders' equity:		
Share capital - (note 4)	8,762,865	7,974,888
Contributed Surplus - (note 3)	290,252	261,636
Deficit	<u>(5,848,662)</u>	<u>(5,988,518)</u>
	<u>3,204,455</u>	<u>2,248,006</u>
	<u>\$ 3,304,705</u>	<u>\$ 2,420,669</u>

Approved on behalf of the Board:

"Melvyn M. Rahal" Director
"Fred H. Findler" Director

See accompanying notes to the financial statements

SABLE RESOURCES LTD.

Consolidated Statement of Operations and Deficit

(Unaudited)

For the Six Months ended June 30, 2007 and 2006

	Three months ended		Cumulative six months period ended	
	June 30 2007	June 30 2006	June 30 2007	June 30 2006
Expenses				
Property maintenance, mining & milling	\$ 57,392	\$ 15,555	\$ 58,036	\$ 17,620
Exploration	95,440	163,334	109,055	164,947
Administration	42,566	53,588	86,137	74,797
Stock based compensation - (Note 3)	28,616	-	28,616	204,900
Interest expenses	-	7,156	-	14,138
	<u>224,014</u>	<u>239,633</u>	<u>281,844</u>	<u>476,402</u>
Operating (loss)	(224,014)	(239,633)	(281,844)	(476,402)
Other:				
Other income	<u>20,162</u>	<u>5,514</u>	<u>38,211</u>	<u>8,551</u>
(Loss) for the period, before Income taxes	(203,852)	(234,119)	(243,633)	(467,851)
Future income tax recovery - (Note 4)	<u>-</u>	<u>-</u>	<u>383,489</u>	<u>91,932</u>
Income (Loss) for the period	(203,852)	(234,119)	139,856	(375,919)
Deficit, beginning of period	<u>(5,644,810)</u>	<u>(5,257,237)</u>	<u>(5,988,518)</u>	<u>(5,115,437)</u>
Deficit, end of period	<u>(5,848,662)</u>	<u>(5,491,356)</u>	<u>(5,848,662)</u>	<u>(5,491,356)</u>
Income (Loss) per share	<u>\$ (0.010)</u>	<u>\$ (0.015)</u>	<u>\$ 0.007</u>	<u>\$ (0.025)</u>
Weighted average number of common shares used in the calculation of basic earnings (loss) per share	<u>20,668,002</u>	<u>15,327,682</u>	<u>20,668,002</u>	<u>15,327,682</u>

SABLE RESOURCES LTD.

Consolidated Statement of Cash Flows: (Unaudited)

For the Six Months ended June 30, 2007 and 2006

	Three months period ended		Cumulative six months ended	
	June 30 2007	June 30, 2006	June 30 2007	June 30 2006
Cash provided by (used in):				
Operations:				
Net (Loss) for the period	\$ (203,852)	\$ (234,119)	\$ (243,633)	\$ (467,851)
Adjustments not requiring cash expenditures:				
Stock based compensation (Note 3)	28,616	-	28,616	204,900
Future Income tax recovery (Note 4)	-	-	383,489	91,932
Decrease (increase) in accounts receivable	(29,409)	(22,478)	(28,967)	(5,157)
Decrease (increase) in share subscription receivable	8,212	-	239,213	-
(Decrease) Increase in accounts payable	9,107	5,973	(72,413)	(10,386)
Decrease (Increase) in prepaid expenses	750	1,050	1,450	2,050
Accrued Interest on convertible debenture	-	7,156	-	14,138
	<u>(186,576)</u>	<u>(242,418)</u>	<u>307,755</u>	<u>(170,374)</u>
Investments				
Plant and Equipment	<u>(242,661)</u>	<u>(3,943)</u>	<u>(388,937)</u>	<u>(3,943)</u>
	<u>(429,237)</u>	<u>(246,361)</u>	<u>(81,182)</u>	<u>(174,317)</u>
Financing				
Shares issued for cash	<u>1,131,948</u>	<u>1,168,797</u>	<u>787,977</u>	<u>1,085,192</u>
Increase (Decrease) in cash and cash equivalents	702,711	922,436	706,795	910,875
Cash and cash equivalents, beginning of period	<u>1,741,059</u>	<u>287,037</u>	<u>1,736,975</u>	<u>298,598</u>
Cash and cash equivalents, end of period	<u>\$ 2,443,770</u>	<u>\$ 1,209,473</u>	<u>\$ 2,443,770</u>	<u>\$ 1,209,473</u>

SABLE RESOURCES LTD.

Consolidated Statement of Administrative Expenses (Unaudited)

For the Six Months ended June 30, 2007 and 2006

	June 30 2007	June 30 2006	June 30 2007	June 30 2006
Accounting and legal	\$ 2,000	\$ 9,800	\$ 2,000	\$ 9,800
Salaries	1,999	-	1,999	-
Consulting	-	15,000	20,000	16,333
Office & sundry	165	1,087	508	1,991
Rent	9,774	5,248	15,040	12,266
Licences and fees	5,994	8,847	10,939	13,347
Transfer agent fees	3,675	2,494	4,739	3,542
Shareholders Information	15,752	6,817	24,533	6,817
Insurance	750	1,050	1,450	2,075
Travel and promotion	633	1,692	1,312	3,357
Telephone	1,638	1,417	2,806	2,348
Bank charges	186	136	811	817
US-exchange loss		-	-	2,104
	<u>\$ 42,566</u>	<u>\$ 53,588</u>	<u>\$ 86,137</u>	<u>\$ 74,797</u>

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements
(Unaudited)

For the period ended June 30, 2007 and 2006

1 Basis of Presentation

These unaudited interim financial statements include the accounts of Sable Resources Ltd. and its subsidiaries (collectively referred to as the "Company"). These interim consolidated financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements, and accordingly, these interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements. These interim consolidated financial statements follow the same accounting policies and methods of application used in the company's audited annual consolidated financial statements as at and for the year ended December 31, 2006.

- 2 The auditors of Sable Resources Ltd. have not performed a review of the unaudited consolidated financial statements for the six months ended June 30, 2007 and June 30, 2006.

3 Share Purchase Options

The Company has a share option plan whereby officers, directors and certain employees may be granted options to purchase unissued common shares of the Company. The option exercise price is the closing market price of the common shares on the TSX Venture Exchange on the trading day immediately prior to the option granted.

	Number of Shares	Weighted Average Exercise Price \$
	<u> </u>	<u> </u>
Balance, December 31, 2006	1,050,000	0.32
Exercised	(50,000)	0.25
Exercised	(100,000)	0.33
Granted	50,000	0.62
Balance June 30, 2007	<u>950,000</u>	<u>0.34</u>

At June 30, 2007, the following stock options were outstanding:

Number of Shares	Weighted Average Exercise Price \$	Expiry Date
<u> </u>	<u> </u>	<u> </u>
50,000	0.30	November 5, 2008
650,000	0.30	January 10, 2011
100,000	0.33	March 23, 2011
100,000	0.51	July 12, 2011
<u>50,000</u>	<u>0.62</u>	<u>April 12, 2012</u>
<u>950,000</u>	<u>0.34</u>	

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements
(Unaudited)

For the period ended June 30, 2007 and 2006

3 Share Purchase Options - continued

The Company used the Black-Scholes option pricing model to determined the fair value of the options with the following assumptions:

Expected dividend yield:	Nil
Risk-free interest rate:	4.00%
Expected life:	5 years
Expected volatility:	154%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

During the six months ended June 30, 2007 the Company granted:

50,000 stock options to a consultant. The options entitles the holder to purchase on share of the Company's common stock at a price of \$0.62 per share until April 12, 2012. The estimated fair value of this option was \$28,616 and this amount has been expensed as stock-based compensation.

- 4 The flow-through subscription agreements for the brokered private placements of 666,500 and 1,072,500 units at \$0.40 per unit and \$0.80 per unit; respectively, require the Company to renounce certain Qualifying Canadian Exploration Expenditures, to be incurred on the Company's resource properties, to the share subscribers. On February 22, 2007 the Company filed the necessary documentation to renounce \$1,124,600 of expenditures to the share subscribers, effective December 31, 2006. Accordingly, \$383,489 being the taxable benefit renounced, has been charged as a reduction of share capital.