

Consolidated Financial Statements of

SABLE RESOURCES LTD.

For the Nine Months ended September 30, 2007 and 2006

(Unaudited)

**The Financial Statements for the nine months ended September 30, 2007
have not been reviewed by the Company's auditors.**

SABLE RESOURCES LTD.

Consolidated Balance Sheet

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

	September 30, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,444,470	\$ 1,736,975
Accounts receivable	43,216	55,740
Share subscription receivable	-	239,213
Prepaid expenses	2,657	2,012
	<u>1,490,343</u>	<u>2,033,940</u>
Restricted funds	170,000	160,000
Mineral property interests	108,499	108,499
Plant and equipment, net of accumulated amortization	<u>568,153</u>	<u>118,230</u>
	<u>\$ 2,336,995</u>	<u>\$ 2,420,669</u>
 Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 78,863	\$ 136,663
Loan payable to related party	36,000	36,000
	<u>114,863</u>	<u>172,663</u>
Shareholders' equity:		
Share capital - (note 4)	8,762,864	7,974,888
Contributed Surplus - (note 3)	386,394	261,636
Deficit	<u>(6,927,126)</u>	<u>(5,988,518)</u>
	<u>2,222,132</u>	<u>2,248,006</u>
	<u>\$ 2,336,995</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 Nine Months ended September 30, 2007 and 2006

	Three months ended		Cumulative six months period ended	
	September 30 2007	September 30 2006	September 30 2007	September 30 2006
Expenses				
Property maintenance, mining & milling	\$ 1,816	\$ 12,893	\$ 59,852	\$ 30,513
Exploration	971,244	142,293	1,080,299	307,240
Administration	25,664	40,877	111,801	115,674
Stock based compensation - (Note 3)	96,142	40,100	124,758	245,000
Interest expenses	-	7,087	-	21,225
	<u>1,094,866</u>	<u>243,250</u>	<u>1,376,710</u>	<u>719,652</u>
Operating (loss)	(1,094,866)	(243,250)	(1,376,710)	(719,652)
Other:				
Other income	<u>16,402</u>	<u>11,322</u>	<u>54,613</u>	<u>19,873</u>
(Loss) for the period, before Income taxes	(1,078,464)	(231,928)	(1,322,097)	(699,779)
Future income tax recovery - (Note 4)	<u>-</u>	<u>-</u>	<u>383,489</u>	<u>91,932</u>
Income (Loss) for the period	(1,078,464)	(231,928)	(938,608)	(607,847)
Deficit, beginning of period	<u>(5,848,662)</u>	<u>(5,491,356)</u>	<u>(5,988,518)</u>	<u>(5,115,437)</u>
Deficit, end of period	<u>(6,927,126)</u>	<u>(5,723,284)</u>	<u>(6,927,126)</u>	<u>(5,723,284)</u>
Income (Loss) per share	<u>\$ (0.052)</u>	<u>\$ (0.015)</u>	<u>\$ (0.045)</u>	<u>\$ (0.038)</u>
Weighted average number of common shares used in the calculation of basic earnings (loss) per share				
	<u>20,668,002</u>	<u>15,805,682</u>	<u>20,668,002</u>	<u>15,805,682</u>

SABLE RESOURCES LTD.

Consolidated Statement of Cash Flows: (Unaudited)

For the Nine Months ended September 30, 2007 and 2006

	Three months period ended		Cumulative nine months ended	
	September 30 2007	September 30 2006	September 30 2007	September 30 2006
Cash provided by (used in):				
Operations:				
Net (Loss) for the period	\$ (1,078,464)	\$ (231,928)	\$ (1,322,097)	\$ (607,847)
Adjustments not requiring cash expenditures:				
Stock based compensation (Note 3)	96,142	40,100	124,758	245,000
Future Income tax recovery (Note 4)	-	-	383,489	-
Decrease (increase) in accounts receivable	41,490	3,272	12,523	(1,885)
Decrease (increase) in share subscription receivable	-	-	239,213	-
(Increase) in bonding of mineral interests	(10,000)	-	(10,000)	-
(Decrease) Increase in accounts payable	14,613	(17,883)	(57,800)	(28,269)
Decrease (Increase) in prepaid expenses	(2,095)	(1,103)	(645)	947
Accrued Interest on convertible debenture	-	(17,913)	-	(3,775)
	<u>(938,314)</u>	<u>(225,455)</u>	<u>(630,559)</u>	<u>(395,829)</u>
Investments				
Plant and Equipment	<u>(60,986)</u>	<u>(13,837)</u>	<u>(449,923)</u>	<u>(17,780)</u>
	<u>(999,300)</u>	<u>(239,292)</u>	<u>(1,080,482)</u>	<u>(413,609)</u>
Financing				
Shares issued for cash	<u>-</u>	<u>173,674</u>	<u>787,977</u>	<u>1,258,866</u>
Increase (Decrease) in cash and cash equivalents	(999,300)	(65,618)	(292,505)	845,257
Cash and cash equivalents, beginning of period	<u>2,443,770</u>	<u>1,209,473</u>	<u>1,736,975</u>	<u>298,598</u>
Cash and cash equivalents, end of period	<u>\$ 1,444,470</u>	<u>\$ 1,143,855</u>	<u>\$ 1,444,470</u>	<u>\$ 1,143,855</u>

SABLE RESOURCES LTD.

Consolidated Statement of Administrative Expenses (Unaudited)

For the Nine Months ended September 30, 2007 and 2006

	Three months period ended		Cumulative six months period ended	
	September 30 2007	September 30 2006	September 30 2007	September 30 2006
Accounting and legal	\$ -	\$ 11,500	\$ 2,000	\$ 21,300
Salaries	5,128	-	7,127	-
Consulting	-	5,000	20,000	21,333
Office & sundry	569	436	1,077	2,427
Rent	5,333	5,080	20,373	17,346
Licences and fees	498	1,493	11,437	14,840
Transfer agent fees	675	2,352	5,414	5,894
Shareholders Information	11,215	11,547	35,748	18,364
Insurance	700	1,692	2,150	3,767
Travel and promotion	534	755	1,846	4,112
Telephone	819	997	3,625	3,345
Bank charges	193	25	1,004	842
US-exchange loss	-	-	-	2,104
	<u>\$ 25,664</u>	<u>\$ 40,877</u>	<u>\$ 111,801</u>	<u>\$ 115,674</u>

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements
(Unaudited)

For the period ended September 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 nine months ended September 30, 2007 and September 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 \$
Balance, December 31, 2006	1,050,000	0.32
Exercised	(50,000)	0.25
Exercised	(100,000)	0.33
Granted	50,000	0.62
Granted	150,000	0.70
Balance September 30, 2007	<u>1,100,000</u>	<u>0.39</u>

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

Number of Shares	Weighted Average Exercise Price \$	Expiry Date
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
50,000	0.62	April 12, 2012
150,000	0.70	July 3, 2012
<u>1,100,000</u>	<u>0.39</u>	

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements
(Unaudited)

For the period ended September 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 nine months ended September 30, 2007 the Company granted:

50,000 stock options to a consultant. The options entitles the holder to purchase one 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.

100,000 stock options to a director and 50,000 stock options to consultants. The options entitles the holder to purchase one share of the Company's common stock at a price of \$0.70 per share until July 3, 2012. The estimated fair value of this option was \$96,142 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.