

Consolidated Financial Statements of

SABLE RESOURCES LTD.

For the Three Months ended March 31, 2007 and 2006

(Unaudited)

SABLE RESOURCES LTD.

Consolidated Balance Sheet

As at March 31, 2007 and December 31, 2006
(Unaudited)

	March 31, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,741,059	\$ 1,736,975
Accounts receivable	55,298	55,740
Share subscription receivable	8,212	239,213
Prepaid expenses	1,312	2,012
	<u>1,805,881</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>264,506</u>	<u>118,230</u>
	<u>\$ 2,338,886</u>	<u>\$ 2,420,669</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 55,143	\$ 136,663
Loan payable to related party	36,000	36,000
	<u>91,143</u>	<u>172,663</u>
Shareholders' equity:		
Share capital - (note 4)	7,630,917	7,974,888
Contributed Surplus - (note 3)	261,636	261,636
Deficit	<u>(5,644,810)</u>	<u>(5,988,518)</u>
	<u>2,247,743</u>	<u>2,248,006</u>
	<u>\$ 2,338,886</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 Three Months ended March 31, 2007 and 2006

	March 31 2007	March 31 2006
Expenses		
Property maintenance, mining & milling	\$ 644	\$ 2,065
Exploration	13,615	1,613
Administration	43,571	21,209
Stock based compensation - (Note 3)	-	204,900
Interest expenses	-	6,982
	<u>57,830</u>	<u>236,769</u>
Operating (loss)	(57,830)	(236,769)
Other:		
Other income	<u>18,049</u>	<u>3,037</u>
(Loss) for the period, before Income taxes	(39,781)	(233,732)
Future income tax recovery - (Note 4)	<u>383,489</u>	<u>91,932</u>
Income (Loss) for the period	343,708	(141,800)
Deficit, beginning of period	<u>(5,988,518)</u>	<u>(5,115,437)</u>
Deficit, end of period	<u>(5,644,810)</u>	<u>(5,257,237)</u>
Income (Loss) per share	<u>\$ 0.019</u>	<u>\$ (0.012)</u>
Weighted average number of common shares used in the calculation of basic earnings (loss) per share	<u>18,350,917</u>	<u>11,802,438</u>

SABLE RESOURCES LTD.

Consolidated Statement of Cash Flows: (Unaudited)

For the Three Months ended March 31, 2007 and 2006

	March 31, 2007	March 31, 2006
Cash provided by (used in):		
Operations:		
Net (Loss) for the period	\$ 343,708	\$ (141,800)
Adjustments not requiring cash expenditures:		
Stock based compensation (Note 3)	-	204,900
Future Income tax recovery (Note 4)	(383,489)	(91,932)
Decrease (increase) in accounts receivable	442	17,321
Decrease (increase) in share subscription receivable	231,001	
(Decrease) Increase in accounts payable	(81,520)	(16,359)
Decrease (Increase) in prepaid expenses	700	1,000
Accrued Interest on convertible debenture	-	6,982
	<u>110,842</u>	<u>(19,888)</u>
Investments		
Plant and equipment	(146,276)	-
	<u>(35,434)</u>	<u>(19,888)</u>
Financing		
Shares issued for cash	39,518	8,327
	<u>39,518</u>	<u>8,327</u>
(Decrease) in cash and cash equivalents	4,084	(11,561)
Cash and cash equivalents, beginning of year	<u>1,736,975</u>	<u>298,598</u>
Cash and cash equivalents, end of period	<u>\$ 1,741,059</u>	<u>\$ 287,037</u>

SABLE RESOURCES LTD.

Consolidated Statement of Administrative Expenses (Unaudited)

For the Three Months ended March 31, 2007 and 2006

	<u>March 31</u> <u>2007</u>	<u>March 31</u> <u>2006</u>
Consulting	\$ 20,000	\$ 1,333
Office & sundry	343	904
Rent	5,266	7,018
Licences and fees	4,945	4,500
Transfer agent fees	1,064	1,048
Shareholders Information	8,781	-
Insurance	700	1,025
Travel and promotion	679	1,665
Telephone	1,168	931
Bank charges	625	681
US-exchange loss	-	2,104
	<u>\$ 43,571</u>	<u>\$ 21,209</u>

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements
(Unaudited)

For the period ended March 31, 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 three months ended March 31, 2007 and March 31, 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, 2005	300,000	\$ 0.29
Expired	(200,000)	0.25
Granted	650,000	0.30
Granted	200,000	0.33
Granted	100,000	0.51
Balance, March 31, 2007	<u>1,050,000</u>	<u>\$ 0.32</u>

At March 31, 2007, the following stock options were outstanding:

Number of Shares	Weighted Average Exercise Price \$	Expiry Date
50,000	\$ 0.25	June 7, 2007
50,000	0.30	November 5, 2008
650,000	0.30	January 10, 2011
200,000	0.33	March 23, 2011
100,000	0.51	July 12, 2011
<u>1,050,000</u>	<u>\$ 0.32</u>	

3 Share Purchase Options - continued

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

Expected dividend yield:	Nil
Risk-free interest rate:	3.75%
Expected life:	5 years
Expected volatility:	106%

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 three months ended March 31, 2007 no options were granted and or exercised.

- 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.