

Blue Ribbon Capital Corporation

(A capital pool corporation)

Interim Financial Statements

For the Nine Month Period Ended September 30, 2007

NOTICE TO READER

The accompanying unaudited interim financial statements have been prepared by the company's management and the company's independent auditors have not performed a review of these financial statements.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Interim Balance Sheets

(unaudited - see Notice to Reader)

	Note	Sept 30 2007	April 30 2007 (audited)
Assets			
Current			
Cash	4	\$ 922,473	\$ 56,635
Amounts receivable		3,608	1,302
<hr/>			
Deferred share issuance costs	5	926,081 2,793	57,937 51,553
<hr/>			
		\$ 928,874	\$ 109,490
<hr/>			
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 12,028	\$ 11,500
<hr/>			
Shareholders' Equity			
Capital stock	6	885,948	100,000
Contributed surplus	8	149,965	-
Deficit		(119,067)	(2,010)
<hr/>			
		916,846	97,990
<hr/>			
		\$ 928,874	\$ 109,490
<hr/>			

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Interim Statements of Operations and Deficit

(unaudited - see Notice to Reader)

	Three Month Period Ended Sept 30, 2007	Nine Month Period Ended Sept 30, 2007
Expenses		
Professional fees	\$ 6,500	\$ 10,000
Stock-compensation	97,405	97,405
General and administrative	5,830	11,662
	109,735	119,067
Net loss for the period	(109,735)	(119,067)
Deficit at beginning of period	(9,332)	-
Deficit at end of period	\$(119,067)	\$(119,067)
Basic and diluted loss per share	\$ (0.057)	\$ (0.12)
Weighted average number of shares	1,919,965	996,886

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Interim Statements of Cash Flows

(unaudited - see Notice to Reader)

	Three Month Period Ended Sept 30, 2007	Nine Month Period Ended Sept 30, 2007
Cash flows from operating activities		
Net loss for the period	\$(109,735)	\$(119,067)
Items not affecting cash:		
Agent option valuation	52,560	52,560
Director's stock compensation	97,405	97,405
Changes in non-cash working capital items		
Amounts receivable	(1,813)	(3,608)
Accrued liabilities	(1,502)	12,028
	36,915	39,318
Cash flows from financing activities		
Deferred share issuance costs	56,528	(2,793)
Issuance of capital stock	785,948	885,948
	842,476	883,155
Increase in cash during the period	879,391	922,473
Cash at beginning of period	43,082	-
Cash at end of period	\$ 922,473	\$ 922,473

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

1. NATURE OF THE CORPORATION

Blue Ribbon Capital Corporation (the "Company") was incorporated under the Business Corporations Act (Ontario) on September 12, 2006 and is classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange policy 2.4.

There is no assurance that the Company will complete a Qualifying Transaction (see Note 10) within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances and highly liquid temporary money market instruments with initial maturities of three months or less.

SHARE ISSUE COSTS

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to capital stock when the related shares are issued.

STOCK-BASED COMPENSATION

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock.

LOSS PER SHARE

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share because to do so would be anti-dilutive.

Basic loss per share is calculated using the weighted average number of shares outstanding during the period.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by the Company include economic useful life of depreciable assets for purposes of calculating amortization and valuation allowance for future income taxes.

3. CHANGES IN ACCOUNTING POLICIES

On January 1, 2007, the Company adopted CICA accounting handbook section 3855, Financial Instruments – Recognition and Measurement, section 3861, Financial Instruments – Disclosure and Presentation, section 1530, Comprehensive Income, and section 3251, Equity.

FINANCIAL INSTRUMENTS

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Under this standard, all financial instruments are required to be measured at fair value on initial recognition except for certain related party transactions.

Measurement in subsequent periods is dependent upon the classification of the financial instrument as held-for-trading, held-to-maturity, available-for-sale, loans and receivables, or other than held-for-trading liabilities. The held-for-trading classification is applied when an entity is trading in an instrument or alternatively, the standard permits that any financial instrument be irrevocably designated as held-for-trading. The held-to-maturity classification is applied only if the asset has specified characteristics and the entity has the ability and intent to hold the asset until maturity.

An asset can be classified as available-for-sale when it has not been classified as trading or held-to-maturity or loans and receivables. Financial assets and liabilities classified as held-for-trading are measured at fair value with changes in those fair values recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, or other than held-for-trading liabilities are measured at amortized cost using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses being recognized in Other Comprehensive Income (“OCI”) as described below. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.

The Company has implemented the following classifications:

Cash and cash equivalents and term deposits are classified as held-for-trading and any period change in fair value is recorded through net income.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

Sales taxes receivable are classified as receivables and are measured at amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities are classified as other than held-for-trading liabilities and are measured at amortized cost using the effective interest rate method.

Section 3861 establishes standards for the presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. The purpose of the section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

COMPREHENSIVE INCOME

Section 1530 introduces Comprehensive Income, which consists of Net Income and OCI. OCI represents changes in Shareholders' equity during a period arising from transactions and other events with non-owner sources that are recognized in Comprehensive Income, but excluded from net income. Items affecting OCI are recorded prospectively commencing from January 1, 2007. Cumulative changes in OCI, if any, are included in Accumulated Other Comprehensive Income (AOCI), which is presented as a new category within Shareholders' equity on the balance sheet. OCI and AOCI are presented net of tax.

EQUITY

Section 3251 establishes standards for the presentation of equity and the changes in equity during the period.

IMPACT UPON ADOPTION

In accordance with the transitional provisions of the standards, prior periods have not been restated in light of the adoption of these new accounting standards.

Upon adoption, no adjustment was required to the financial statements.

4. CASH

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. DEFERRED SHARE ISSUANCE COSTS

These costs relate directly to the proposed "Qualifying Transaction" by the Company as disclosed in Note 10. Upon completion of the "Qualifying Transaction", the costs will be charged against capital stock.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

6. CAPITAL STOCK

Authorized
Unlimited common shares

Issued

	Number	Amount
Balance – June 30, 2007 ⁽ⁱ⁾	1,050,000	\$ 105,000
Issuance of shares – Private placement – Sept 14, 2007 ⁽ⁱⁱ⁾	5,000,000	1,000,000
Share issue costs	-	(219,052)
Balance – September 30, 2007	<u>6,050,000</u>	<u>\$ 885,948</u>

(i) The 1,050,000 issued Common Shares of the Corporation are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

(ii) The Company completed a private placement on Sept 14, 2007 by issuing 5,000,000 units at \$0.20 per unit for a total of \$1,000,000 net of share issuance costs of \$111,800. The Company also granted options to acquire an aggregate of 605,000 common shares at an exercise price of \$0.20 per share to directors and officers of the Company and an agent's option to acquire an aggregate of 450,000 common shares at an exercise price of \$0.20 per share for a period of 24 months to Union Securities. Union Securities received an administration fee and a cash commission equal to 9% of the proceeds of the offering.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

7. STOCK OPTIONS

The Company has a stock options plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years, and vest at the discretion of the board. The Corporation established a stock-based compensation plan, subject to regulatory approval. Under the stock-based compensation plan, the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase Common shares, provided that the number of Common shares reserved for issuance will not exceed 10% of the issued and outstanding Common shares, exercisable for a period of up to five (5) years from the date of grant. The exercise price of options is set by the Board of Directors and is equal to the market price of the Common shares at the date of grant. The options shall fully vest and become exercisable upon date of grant.

The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common shares and the number of Common shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding Common shares.

Pursuant to the stock option plan, stock options to purchase a maximum of 1,055,000 Common shares, at an exercise price of \$0.20 per share expiring five years from the date of grant, which options were granted to directors and officers at the conclusion of the offering described in Note 6.

	Stock Options		
	Number	Fair value	Weighted average exercise price
		\$	\$
Outstanding, beginning of period	-	-	-
Granted – Sept 14, 2007	1,055,000	149,965	0.20
Less: Options exercised	-	-	-
Outstanding, September 30, 2007	<u>1,055,000</u>	<u>149,965</u>	0.20
Number currently exercisable	<u>1,055,000</u>		

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

The following incentive stock options were outstanding at September 30, 2007.

	Number of shares	Exercise price \$	Expiry date
Stock options	605,000	0.20	Sept 14, 2012
	450,000	0.20	Sept 14, 2009

Stock-based compensation

During the period, the Company granted 1,055,000 options. The fair value using the Black-Scholes option pricing model resulted in a stock-based compensation expense of \$97,405 for the vesting portion of options granted to the directors of the Company, which was also recorded as contributed surplus on the balance sheet. It also resulted in a fair value of \$52,560 for options granted to the agent which was recorded directly to contributed surplus.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options issued:

	September 30, <u>2007</u>
Risk-free interest rate	4.50%
Expected life of options	1 to 5 years
Annualized volatility	110%
Dividend rate	0%

8. CONTRIBUTED SURPLUS

Balance – beginning of period	\$ -
Stock-based valuation of Agents options	52,560
Stock-based compensation for Options issued to Directors	<u>97,405</u>
Balance – September 30, 2007	<u>\$ 149,965</u>

9. FINANCIAL INSTRUMENTS

The carrying values of cash, amounts receivable and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

September 30, 2007

(unaudited - see Notice to Reader)

10. QUALIFYING TRANSACTION

On September 27, 2007, the Company announced that it had entered into a Letter Agreement (the "Agreement") with Kilo Goldmines Inc. ("KILO"), a private company involved in the exploration of mineral properties in the Democratic Republic of Congo. Pursuant to the Agreement, the Company may acquire all of the issued and outstanding shares of KILO (the "Transaction"). The Transaction is an arm's length transaction pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Transaction will constitute the Company's "Qualifying Transaction" as such term is defined in the Exchange Policy 2.4, and upon completion, will result in the listing of the Company as a Tier 2 Mining Issuer.