

# **Blue Ribbon Capital Corporation**

**(A capital pool corporation)**

## **Interim Financial Statements**

**For the Six Month Period Ended June 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	June 30 2007	April 30 2007 (audited)
<b>Assets</b>			
<b>Current</b>			
Cash	3	\$ 43,082	\$ 56,635
Amounts receivable		1,795	1,302
		44,877	57,937
<b>Deferred share issuance costs</b>	4	<b>59,321</b>	<b>51,553</b>
		<b>\$ 104,198</b>	<b>\$ 109,490</b>

## Liabilities

### Current

Accounts payable and accrued liabilities		\$ 13,530	\$ 11,500
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## Shareholders' Equity

Capital stock	5	100,000	100,000
Deficit		(9,332)	(2,010)
		90,668	97,990
		<b>\$ 104,198</b>	<b>\$ 109,490</b>

*Subsequent Event (Note 7)*

Approved by the Board Randy Koroll Director Kevin Xuereb Director  
(Signed) (Signed)

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 June 30, 2007	Six Month Period Ended June 30, 2007
<b>Expenses</b>		
Professional fees	\$ 1,500	\$ 3,500
General and administrative	5,822	5,832
	<u>7,322</u>	<u>9,332</u>
<b>Net loss for the period</b>	(7,322)	(9,332)
<b>Deficit at beginning of period</b>	(2,010)	-
<b>Deficit at end of period</b>	<u>\$ (9,332)</u>	<u>\$ (9,332)</u>
<b>Basic and diluted loss per share</b>	<u>\$ (0.014)</u>	<u>\$ (0.037)</u>
<b>Weighted average number of shares</b>	<u>505,495</u>	<u>254,144</u>

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 June 30, 2007	Six Month Period Ended June 30, 2007
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (7,322)	\$ (9,332)
Changes in non-cash working capital items		
Amounts receivable	(493)	(1,795)
Accrued liabilities	2,030	2,030
	(5,785)	(9,097)
<b>Cash flows from financing activities</b>		
Deferred share issuance costs	(7,768)	(47,821)
Issuance of capital stock	-	100,000
	(7,768)	52,179
<b>Increase (decrease) in cash during the period</b>	<b>(13,553)</b>	<b>43,082</b>
<b>Cash at beginning of period</b>	<b>56,635</b>	<b>-</b>
<b>Cash at end of period</b>	<b>\$ 43,082</b>	<b>\$ 43,082</b>

See accompanying notes.

# Blue Ribbon Capital Corporation

(A capital pool corporation)

Notes to Interim Financial Statements

June 30, 2007

(unaudited - see Notice to Reader)

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## 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 identify a Qualifying Transaction 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

The interim financial statements are prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies as for the financial statements for the period from date of incorporation (September 12, 2006) to April 30, 2007. These interim financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the period from date of incorporation (September 12, 2006) to April 30, 2007.

## 3. 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.

## 4. DEFERRED SHARE ISSUANCE COSTS

These costs relate directly to the proposed issuance of shares by the Company as disclosed in Note 7. Upon completion of the initial public offering, the costs will be charged against capital stock.

# Blue Ribbon Capital Corporation

(A capital pool corporation)  
Notes to Interim Financial Statements  
June 30, 2007  
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## 5. CAPITAL STOCK

Authorized  
unlimited common shares

Issued

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	Number of Shares	Amount
Issued or issuable for cash at June 30, 2007 and April 30, 2007	1,000,000	\$ 100,000

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The 1,000,000 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.

## 6. 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.

## 7. SUBSEQUENT EVENT

Pursuant to an agency agreement dated July 30, 2007, between the Company and Union Securities Ltd. (the "Agent"), the Company has filed a prospectus dated July 30, 2007, offering a minimum of 2,500,000 common shares and a maximum of 5,000,000 at a price of \$0.20 per common share by way of an Initial Public Offering (the "Offering") pursuant to the policies of the TSX Venture Exchange governing Capital Pool Companies. The Company has agreed to pay the Agent a commission of 9% of the gross proceeds of this Offering and a corporate finance fee of \$10,000 plus GST. The Agent will also be granted non-transferable warrants to purchase common shares that is equal to 9% of the total number of common shares sold under this Offering at a price of \$0.20 per common share, exercisable for a period of 24 months from the date of listing of the common shares on the Exchange. The Agent has agreed to use commercially reasonable efforts to secure subscriptions for these shares.