

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-QSB**

*(Mark One)*

- Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **June 30, 2007**.
- Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number: **0001329944**

**MISTRAL VENTURES INC.**

(Exact name of small business issuer as specified in its charter)

**NEVADA**

(State or other jurisdiction of  
incorporation or organization)

**20-2745790**

(I.R.S. Employer  
Identification No.)

**809-4438 West 10<sup>th</sup> Avenue, Vancouver, British Columbia V6R 4R8, Canada**

(Address of principal executive office) (Zip Code)

**(604) 725-4160**

(Registrant's telephone number)

Check whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

The number of outstanding shares of the registrant's common stock, \$0.001 par value (the only class of voting stock) as of August 13, 2007 was 16,140,000.

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## **PART I**

### **ITEM 1. FINANCIAL STATEMENTS**

As used herein, the terms “Company,” “we,” “our”, and “us”, refer to Mistral Ventures, Inc., a Nevada corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-QSB reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**

Balance Sheets  
(Expressed in U.S. Dollars)  
(Unaudited)

	<b>As at 30 June 2007 (Unaudited) \$</b>	<b>As at 31 December 2006 (Audited) \$</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	4,396	77,624
Prepaid expenses	-	687
	<u>4,396</u>	<u>78,311</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	<u>9,382</u>	<u>9,845</u>
<b>Stockholder's equity</b>		
<b>Capital stock</b> (Note 6)		
Authorized		
450,000,000 common shares, par value \$0.001		
Issued and outstanding		
30 June 2007 – 16,140,000 common shares, par value \$0.001	16,140	3,800
31 December 2006 – 22,800,000 common shares, par value \$0.001	4	10
<b>Warrants</b> (Note 6)	58,356	122,190
<b>Additional paid-in capital</b>	<u>(79,486)</u>	<u>(57,534)</u>
<b>Deficit, accumulated during the exploration stage</b>	<u>(4,986)</u>	<u>68,466</u>
	<u>4,396</u>	<u>78,311</u>

**Nature and Continuance of Operations** (Note 1)

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**

Statements of Operations  
(Expressed in U.S. Dollars)  
(Unaudited)

	<b>For the period from the date of inception on 13 May 2005 to 30 June 2007 \$</b>	<b>For the six month period ended 30 June 2007 \$</b>	<b>For the six month period ended 30 June 2006 \$</b>
<b>Expenses</b>			
Acquisition of a mineral property (Notes 3, 5, 6 and 8)	9,000	-	9,000
Mineral property exploration costs	5,230	-	-
Legal and accounting	42,507	11,883	9,605
Listing and filing fees	2,566	1,804	-
Management fees (Notes 5 and 6)	12,700	5,900	3,400
Office and miscellaneous	1,977	950	999
Rent (Notes 5 and 6)	1,800	600	600
Transfer agent fees	3,706	815	393
	<hr/>	<hr/>	<hr/>
<b>Net loss for the period</b>	<b>(79,486)</b>	<b>(21,952)</b>	<b>(23,997)</b>
		<hr/>	<hr/>
<b>Basic and diluted loss per common share</b>		<b>(0.001)</b>	<b>(0.002)</b>
		<hr/>	<hr/>
<b>Weighted average number of common shares used in per share calculations</b>		<b>17,495,470</b>	<b>9,636,462</b>
		<hr/>	<hr/>

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**

Statements of Cash Flows  
(Expressed in U.S. Dollars)  
(Unaudited)

	<b>For the period from the date of inception on 13 May 2005 to 30 June 2007 \$</b>	<b>For the six month period ended 30 June 2007 \$</b>	<b>For the six month period ended 30 June 2006 \$</b>
<b>Cash flows from operating activities</b>			
Net loss for the period	(79,486)	(21,952)	(23,997)
Adjustments to reconcile loss to net cash used by operating activities			
Acquisition of a mineral property (Notes 3, 5, 6 and 8)	9,000	-	9,000
Contributions to capital by related party – expenses (Notes 5, 6 and 8)	12,000	4,000	4,000
Management fees (Notes 5, 6 and 8)	2,500	2,500	-
Changes in operating assets and liabilities			
Increase in prepaid expenses	-	687	250
Increase (decrease) in accounts payable and accrued liabilities	9,382	(463)	(2,560)
	<u>(46,604)</u>	<u>(15,228)</u>	<u>(13,307)</u>
<b>Cash flows from financing activities</b>			
Common shares issued (rescinded) for cash (Note 6)	50,990	(58,000)	-
Proceeds from related party	-	-	7,000
Warrants issued for cash	10	-	-
	<u>51,000</u>	<u>(58,000)</u>	<u>7,000</u>
<b>Increase in cash and cash equivalents</b>	4,396	(73,228)	(6,307)
<b>Cash and cash equivalents, beginning of period</b>	-	77,624	8,677
<b>Cash and cash equivalents, end of period</b>	<u>4,396</u>	<u>4,396</u>	<u>2,370</u>

**Supplemental Disclosures with Respect to Cash Flows (Note 8)**

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**  
Statement of Changes in Stockholders' Equity  
(Expressed in U.S. Dollars)  
(Unaudited)

	Number of common shares issued	Capital stock \$	Additional paid-in capital \$	Warrants \$	Deficit, accumulated during the exploration stage \$	Stockholder's equity \$
<b>Balance at 13 May 2005 (inception)</b>						
Common shares issued for cash (\$0.001 per share)	5,400,000	5,400	3,600	-	-	9,000
Net loss for the period	-	-	-	-	(5,773)	(5,773)
<b>Balance at 31 December 2005</b>						
Common shares issued for a mineral property (\$0.001 per share) (Notes 3, 5 and 8)	5,400,000	5,400	3,600	-	(5,773)	3,227
Common shares issued for cash (\$0.05 per unit) – 20 September 2006 (Note 6)	5,400,000	5,400	3,600	-	-	9,000
Common shares issued for cash (\$0.05 per unit) – 20 September 2006 (Note 6)	12,000,000	12,000	87,990	-	-	99,990
Warrants granted for cash (Note 6)	-	-	-	10	-	10
Contributions to capital by related party – expenses (Notes 5, 6 and 8)	-	-	8,000	-	-	8,000
Net loss for the year	-	-	-	-	(51,761)	(51,761)
<b>Balance at 31 December 2006</b>						
Common shares issued for cash (\$0.001 per share) – 9 February 2007 (Note 6)	22,800,000	22,800	103,190	10	(57,534)	68,466
Common shares rescinded for cash (\$0.001 per share) – 9 February 2007 (Note 6)	(6,960,000)	(6,960)	(51,034)	(6)	-	(58,000)
Common shares issued to a director (\$0.001 per share) – 29 March 2007 (Notes 5, 6 and 8)	300,000	300	2,200	-	-	2,500
Contributions to capital by related party – expenses (Notes 5, 6 and 8)	-	-	4,000	-	-	4,000
Net loss for the period	-	-	-	-	(21,952)	(21,952)
<b>Balance at 30 June 2007</b>						
	<u>16,140,000</u>	<u>16,140</u>	<u>58,356</u>	<u>4</u>	<u>(79,486)</u>	<u>(4,986)</u>

## **1. Nature and Continuance of Operations**

Mistral Ventures, Inc. (the “Company”) was incorporated under the laws of the State of Nevada on 13 May 2005. The Company has acquired a mineral property located in the Province of British Columbia, Canada and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of property expenditures will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreement and upon future profitable production or proceeds for the sale thereof.

The Company is an exploration stage company as defined by Statement of Financial Accounting Standard (“SFAS”) No. 7 and Industry Guide 7 of the Securities and Exchange Commission Industry Guide. The Company has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of property expenditures will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreement and upon future profitable production or proceeds for the sale thereof.

The Company’s financial statements as at 30 June 2007 and for the six month periods then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has a loss of \$21,952 for the six month period ended 30 June 2007 (30 June 2006 - \$23,997) and has a working capital deficit of \$4,986 at 30 June 2007 (31 December 2006 – working capital of \$68,466)

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company’s capital resources should be adequate to continue operating and maintaining its business strategy during the fiscal year ending 2007. However, if the Company is unable to raise additional capital in the near future, due to the Company’s liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

At 30 June 2007, the Company has suffered losses from exploration stage activities to date. Although management is currently attempting to implement its business plan, and is seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. Accordingly, the Company must rely on its president to perform essential functions without compensation until a business operation can be commenced. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



## **2. Significant Accounting Policies**

The following is a summary of significant accounting policies used in the preparation of these financial statements.

### **Basis of presentation**

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to exploration stage companies, and are expressed in U.S. dollars. The Company's fiscal year end is 31 December.

### **Cash and cash equivalents**

Cash and cash equivalents include highly liquid investments with original maturities of six months or less.

### **Mineral property costs**

The Company has been in the exploration stage since its formation on 13 May 2005 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties.

Mineral property acquisition costs are capitalized when incurred. In accordance with Emerging Task Force Issue 04-02, such costs are classified as tangible assets and are evaluated for impairment and written down as required.

Mineral property exploration costs are charged to operations as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve.

Although the Company will take steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

### **Reclamation costs**

The Company's policy for recording reclamation costs is to record a liability for the estimated costs to reclaim mined land by recording charges to production costs for each tonne of ore mined over the life of the mine. The amount charged is based on management's estimation of reclamation costs to be incurred. The accrued liability is reduced as reclamation expenditures are made. Certain reclamation work is performed concurrently with mining and these expenditures are charged to operations at that time.

### **Financial instruments**

The carrying value of cash, accounts payable and accrued liabilities, and due to related party approximates their fair value because of the short maturity of these instruments. The Company's operations are in Canada and virtually all of its assets and liabilities are giving rise to significant exposure to market risks from changes in foreign currency rates. The Company's financial risk is the risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

### **Derivative financial instruments**

The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

### **Environmental expenditures**

The operations of the Company have been, and may in the future be, affected from time to time, in varying degrees, by changes in environmental regulations, including those for future reclamation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future reclamation and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

### **Income taxes**

Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with SFAS No. 109, "*Accounting for Income Taxes*", which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry forwards when realization is more likely than not.

### **Basic and diluted net loss per share**

The Company computes net loss per share in accordance with SFAS No. 128, "*Earnings per Share*". SFAS No. 128 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive shares if their effect is anti-dilutive.

### **Comprehensive loss**

SFAS No. 130, "*Reporting Comprehensive Income*", establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at 31 December 2006, the Company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

### **Segments of an enterprise and related information**

SFAS No. 131, "*Disclosures about Segments of an Enterprise and Related Information*", supersedes SFAS No. 14, "*Financial Reporting for Segments of a Business Enterprise*". SFAS 131 establishes standards for the way that public companies report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. SFAS 131 defines operating segments as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has evaluated this SFAS and does not believe it is applicable at this time.

### **Start-up expenses**

The Company has adopted Statement of Position No. 98-5, “*Reporting the Costs of Start-up Activities*”, which requires that costs associated with start-up activities be expensed as incurred. Accordingly, start-up costs associated with the Company's formation have been included in the Company's general and administrative expenses for the period from the date of inception on 13 May 2005 to 31 December 2006.

### **Foreign currency translation**

The Company's functional and reporting currency is in U.S. dollars. The financial statements of the Company are translated to U.S. dollars in accordance with SFAS No. 52, “*Foreign Currency Translation*”. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 expenditures during the reporting period. Actual results could differ from these estimates.

### **Stock-Based Compensation**

Effective January 1, 2006, the Company adopted the provisions of SFAS No. 123(R), "Share-Based Payment", which establishes accounting for equity instruments exchanged for employee services. Under the provisions of SFAS 123(R), stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employees' requisite service period (generally the vesting period of the equity grant). Before January 1, 2006, the Company accounted for stock-based compensation to employees in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and complied with the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation". The Company adopted FAS 123(R) using the modified prospective method, which requires the Company to record compensation expense over the vesting period for all awards granted after the date of adoption, and for the unvested portion of previously granted awards that remain outstanding at the date of adoption. Accordingly, financial statements for the periods prior to January 1, 2006 have not been restated to reflect the fair value method of expensing share-based compensation. Adoption of SFAS No. 123(R) does not change the way the Company accounts for share-based payments to non-employees, with guidance provided by SFAS 123 (as originally issued) and Emerging Issues Task Force Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services".

### **Recent accounting pronouncements**

In February 2007, the Financial Accounting Standards Board (the "FASB") issued SFASNo. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159). SFAS 159 allows the company to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the requirements of SFAS 159 and the potential impact on the Company's financial statements.

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**

Notes to Financial Statements

(Expressed in U.S. Dollars)

(Unaudited)

**30 June 2007**

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In September 2006, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132(R)" (SFAS 158"). SFAS 158 requires an employer that sponsors one or more single-employer defined benefit plans to (a) recognize the overfunded or underfunded status of a benefit plan in its statement of financial position, (b) recognize as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost pursuant to SFAS 87, "Employers' Accounting for Pensions", or SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", (c) measure defined benefit plan assets and obligations as of the date of the employer's fiscal year-end, and (d) disclose in the notes to financial statements additional information about certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition asset or obligation. SFAS 158 is effective for the Company's fiscal year ending December 31, 2007. The Company is currently reviewing the impact of this statement.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurement" ("SFAS 157"). The Statement provides guidance for using fair value to measure assets and liabilities. The Statement also expands disclosures about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurement on earnings. This Statement applies under other accounting pronouncements that require or permit fair value measurements. This Statement does not expand the use of fair value measurements in any new circumstances. Under this Statement, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. SFAS 157 is effective for the Company for fair value measurements and disclosures made by the Company in its fiscal year beginning on January 1, 2008. The Company is currently reviewing the impact of this statement.

In March 2006, the FASB issued SFAS No. 156, "*Accounting for Servicing of Financial Assets*", which amends SFAS No. 140 "*Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*". SFAS No. 156 may be adopted as early as 1 January 2006, for calendar year-end entities, provided that no interim financial statements have been issued. Those not choosing to early adopt are required to apply the provisions as of the beginning of the first fiscal year that begins after 15 September 2006 (e.g. 1 January 2007, for calendar year-end entities). The intention of the new statement is to simplify accounting for separately recognized servicing assets and liabilities, such as those common with mortgage securitization activities, as well as to simplify efforts to obtain hedge-like accounting. Specifically, the FASB said SFAS No. 156 permits a service using derivative financial instruments to report both the derivative financial instrument and related servicing asset or liability by using a consistent measurement attribute, or fair value. The adoption of SFAS No. 156 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

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Notes to Financial Statements  
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In February 2006, the FASB issued SFAS No. 155, “*Accounting for Certain Hybrid Financial Instruments*”, which amends SFAS No. 133, “*Accounting for Derivative Instruments and Hedging Activities*” and SFAS No. 140. SFAS No. 155 permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or hybrid financial instruments containing embedded derivatives. The adoption of SFAS No. 155 is not expected to have a material impact on the Company’s financial position, results of operations or cash flows.

**3. Mineral Property**

During the year ended 31 December 2006, the Company acquired a 100% interest in a mineral property located in the Greenwood Mining Division, British Columbia (the “Gold Bug Property”) from a director and shareholder of the Company for proceeds of 5,400,000 common shares of the Company valued at \$9,000. The Gold Bug Property is currently held in trust for the Company by the director and shareholder (Notes 5, 6 and 8). In October 2006, the Company commenced the “Phase 1A Exploration Program” on the Gold Bug Property. Exploration expenditures for the year ended 31 December 2006 on the Gold Bug Property total \$5,230 and consist of consulting, geology and engineering, and travel of \$2,550, \$2,005 and \$675 respectively.

There have been no further expenditures on this property in 2007.

On 12 April 2007, the Company received the results of the Phase 1A Exploration Program. The results were not favorable and no further work is anticipated at this time.

**4. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

**5. Related Party Transactions**

During the six month period ended 30 June 2007, 300,000 shares were issued to a director and officer of the Company as incentive for joining the Board of Directors. These shares were valued at \$2,500 and have been recorded as an increase in non-cash management fee expenditures and an increase in common stock and additional paid-in capital (Note 8).

During the six month period ended 30 June 2007, an officer, director and shareholder of the Company made contributions to capital for management fees and rent of \$3,400 (30 June 2006 - \$3,400, cumulative - \$10,200) and \$600 (30 June 2006 - \$600, cumulative - \$1,800) respectively (Notes 6 and 8). These amounts have been recorded as an increase in expenditures and an increase in additional paid-in capital.

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Notes to Financial Statements  
(Expressed in U.S. Dollars)  
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During the year ended 31 December 2006, the Company acquired an interest in the Gold Bug Property from a director and shareholder of the Company (Notes 3, 6 and 8).

**6. Capital Stock**

**Authorized**

The total authorized capital is 450,000,000 common shares with a par value of \$0.001 per common share.

**Issued and outstanding**

The total issued and outstanding capital stock is 16,140,000 common shares with a par value of \$0.001 per common share.

- i. On 9 February 2006, the Company issued 5,400,000 common shares valued at \$0.01 per share for the acquisition of a mineral property (Notes 3, 5 and 8).
- ii. On 20 September 2006, 12,000,000 Units (the "Units") of the Company were issued for cash proceeds of \$100,000. Each Unit consists of one common share of the Company and two share purchase warrants. Each share purchase warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 per common share expiring 19 September 2008 (Note 6).
- iii. On 9 February 2007, the Company chose to offer a rescission to shareholders who were not accredited investors. In total, 6,960,000 shares valued at \$58,000 were rescinded (Note 6).
- iv. On 2 May 2007, the board of directors of the Company authorized a one to six forward split of all outstanding common shares and a corresponding forward increase in the Company's authorized common stock pursuant to Section 78.209 of the Nevada Revised Statutes. The forward split and increase in authorized common stock was made effective as of 1 June 2007. The effect of the forward split was to increase the number of the Company's common shares issued and outstanding from 2,690,000 to 16,140,000 and to increase the Company's authorized common shares from 75,000,000 shares par value \$0.001 to 450,000,000 shares par value \$0.001. The financial statements have been retroactively adjusted to reflect these stock splits.
- v. During the six month period ended 30 June 2007, an officer, director and shareholder of the Company made contributions to capital by the payment of the Company's expenses (Notes 5 and 8).



**Mistral Ventures, Inc.**  
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(Expressed in U.S. Dollars)  
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- vi. During the six month period ended 30 June 2007, 300,000 shares were issued to a director and officer of the Company as incentive for joining the Board of Directors. These shares were valued at \$2,500 and have been recorded as an increase in non-cash management fee expenditures and an increase in common stock and additional paid-in capital (Notes 5 and 8).

**Warrants**

The following share purchase warrants were outstanding at 30 June 2007:

	<b>Exercise price</b> \$	<b>Number of warrants</b>	<b>Remaining contractual life</b> (years)
Warrants	0.10	<u>10,080,000</u>	1.2

The following is a summary of warrant activities during the six month period ended 30 June 2007:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b> \$
Outstanding and exercisable at 1 January 2007	24,000,000	0.10
Granted	-	-
Exercised	-	-
Expired	-	-
Rescinded	<u>(13,920,000)</u>	-
Outstanding and exercisable at 30 June 2007	<u>10,080,000</u>	<u>0.10</u>
Weighted average fair value of warrants outstanding and exercisable at 30 June 2007		<u>0.000002</u>

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**  
Notes to Financial Statements  
(Expressed in U.S. Dollars)  
(Unaudited)  
**30 June 2007**

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The weighted average grant date fair value of warrants issued during the year ended 30 June 2007 is \$0.000002 per warrant. The fair value of each warrant granted was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	<b>30 June 2007</b>
Risk free interest rate	4.81%
Expected life	2 years
Annualized volatility	101%
Expected dividends	0%

Because the shares of the Company have not begun trading on any recognized stock exchange, there is no trading history to establish the expected volatility. The Company has used the average volatility for two companies in the same industry or considered to be comparable.

Option pricing models require the input of highly subjective assumptions including the estimate of the share 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 single measure of the fair value of the Company's stock options.

## **7. Income Taxes**

The Company has losses carried forward for income tax purposes to 30 June 2007. There are no current or deferred tax expenses for the period ended 30 June 2007 due to the Company's loss position. The Company has fully reserved for any benefits of these losses. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carry forward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes.

**Mistral Ventures, Inc.**  
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Notes to Financial Statements  
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(Unaudited)  
**30 June 2007**

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The provision for refundable federal income tax consists of the following:

	<b>For the six month period ended 30 June 2007 \$</b>	<b>For the six month period ended 30 June 2006 \$</b>
Deferred tax asset attributable to:		
Current operations	7,464	8,159
Contributions to capital by related party – expenses	(1,360)	(1,360)
Stock based compensation	(850)	-
Less: Change in valuation allowance	<u>(5,254)</u>	<u>(6,799)</u>
Net refundable amount	<u>-</u>	<u>-</u>

The composition of the Company's deferred tax assets as at 30 June 2007 and 31 December 2006 are as follows:

	<b>30 June 2007 \$</b>	<b>31 December 2006 \$</b>
Net income tax operating loss carry forward	<u>(64,986)</u>	<u>(49,534)</u>
Statutory federal income tax rate	34%	34%
Effective income tax rate	0%	0%
Deferred tax assets	22,095	16,842
Less: Valuation allowance	<u>(22,095)</u>	<u>(16,842)</u>
Net deferred tax asset	<u>-</u>	<u>-</u>

The potential income tax benefit of these losses has been offset by a full valuation allowance.

As at 30 June 2007, the Company has an unused net operating loss carry forward balance of approximately \$64,986 that is available to offset future taxable income. This unused net operating loss carry forward balance for income tax purposes expires between the years 2026 and 2027.

**Mistral Ventures, Inc.**  
**(A Development Stage Company)**  
Notes to Financial Statements  
(Expressed in U.S. Dollars)  
(Unaudited)  
**30 June 2007**

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**8. Supplemental Disclosures with Respect to Cash Flows**

	<b>For the period from the date of inception on 13 May 2005 to 30 June 2007 \$</b>	<b>For the six month period ended 30 June 2007</b>	<b>For the six month period ended 30 June 2006 \$</b>
Cash paid during the year for interest	-	-	-
Cash paid during the year for income taxes	-	-	-

During the six month period ended 30 June 2007, 300,000 shares were issued to a director and officer of the Company as incentive for joining the Board of Directors. These shares were valued at \$2,500 and have been recorded as an increase in non-cash management fee expenditures and an increase in common stock and additional paid-in capital (Notes 5 and 8).

During the six month period ended 30 June 2007, an officer, director and shareholder made contributions to capital for management fees and rent of \$3,400 (30 June 2006 - \$3,400, cumulative - \$10,200) and \$600 (30 June 2006 - \$600, cumulative - \$1,800) respectively (Notes 5 and 6).

During the year ended 31 December 2006, the Company issued 5,400,000 common shares valued at \$9,000 for the acquisition of a mineral property (Notes 3, 5 and 6).

## **ITEM 2. MANAGEMENT'S PLAN OF OPERATION**

The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. All information presented herein is based on our period ended June 30, 2007. Our fiscal year end is December 31.

### ***General***

Mistral Ventures Inc. was incorporated in the State of Nevada on May 13, 2005 to engage in the acquisition, exploration and development of natural resource properties. We are an exploration stage company with no revenues and limited operating history. By "exploration stage" we mean that we were engaged in the search for mineral deposits or reserves and not in either development or production. Our mining property, known as the Gold Bug Project, is located in south central British Columbia, Canada.

### ***Exploration***

The Company completed Phase 1A of an exploration program on the Gold Bug Project in November of 2006 with an independent exploration crew managed by Madman Mining Co., Ltd. Samples taken from the claim were tested and evaluated.

A grid was emplaced with cross lines over the claim. A total of 25 soil samples were collected from within each of the cross lines over the central portion of the grid. The soil samples covered the area in which the old workings are located as well as the known and projected strike/extension of the quartz vein. The soil samples were analyzed for gold and 28 other elements including copper, zinc, lead and silver. While the vein produced a weak geochemical trace for copper and zinc it failed to return anomalous values of gold or silver.

A total of 14 rock samples of vein material from old sites on the property were also analyzed. Slightly anomalous values of gold, copper, silver, lead and zinc were present in the rock samples, but the values did not approach ore grade.

The exploration program demonstrated that the target vein is narrow, with a limited strike length that does not host economic mineralization. In addition, exploration efforts failed to locate any other mineralized areas within the property. Madman Mining Co., Ltd. recommended that no further work should be completed on the Gold Bug Project, which recommendation was considered and adopted by the Company.

### ***Plan of Operation***

The Company's plan of operation for the coming year is to seek alternative business combinations or acquisitions to create value for our shareholders. We do not plan to limit our options to any particular industry, but will evaluate each opportunity on its merits. The Company has adopted a conservative policy of seeking opportunities that it considers to be of exceptional quality. Therefore, we may have to wait some time before consummating a suitable transaction. Management recognizes that the higher the standards it imposes upon us, the greater may be its competitive disadvantage when vying with other acquiring interests or entities.

We have not yet entered into any agreement, nor do we have any commitment or understanding to enter into or become engaged in any transaction, as of the date of this filing.

### ***Results of Operations***

During the period ended June 30, 2007, the Company was involved in the evaluation of the exploration program completed on the Gold Bug Project. Based on the results of that program the Company is now in the process of identifying an alternative business opportunity, which opportunity if acquired, may or may not produce revenue. Due to this uncertainty, the Company does not expect any revenues until such time as a revenue producing acquisition is accomplished and thus will likely continue to operate at a loss.

### ***Net Loss***

Since inception to June 30, 2007, the Company recorded an operating loss of \$79,486. Net losses for the six month period ended June 30, 2007 were \$21,952 as compared to \$23,997 for the six months ended June 30, 2006. The Company's operating losses in the current six month period are attributable to general and administrative expenses including accounting costs, professional expenses and consulting fees. Expenses in prior periods have also included exploration costs directly related to our former precious metals exploration program. The Company has not generated any revenues since inception.

The Company expects to continue to operate at a loss through fiscal 2007 and cannot determine whether we will ever generate revenues from operations.

### ***Capital Expenditures***

The Company expended no amounts on capital expenditures from inception to June 30, 2007.

### ***Income Tax Expense (Benefit)***

The Company has an income tax benefit resulting from net operating losses to offset any future operating profit. However, the Company has not recorded this benefit in the financial statements because it cannot be assured that we will utilize the net operating losses carried forward in future years.

### ***Impact of Inflation***

The Company believes that inflation has had a negligible effect on operations over the past three years and that it can offset inflationary increases by improving operating efficiencies.

### ***Capital Resources and Liquidity***

The Company had current and total assets of \$4,396 as of the six month period ended June 30, 2007, consisting of cash on hand and total liabilities of \$9,382 as of June 30, 2007. Net stockholders' deficit in the Company was \$4,986 at June 30, 2007. The Company is in the exploration stage and, since inception, has experienced significant changes in liquidity, capital resources and shareholders' equity.

Cash flow used in operating activities was \$46,604 for the period from inception to June 30, 2007. Cash flow used in operating activities was \$15,228 for the six month period ended June 30, 2007, as compared to cash flow used in operating activities of \$13,307 for the six month period ended June 30, 2006. Cash flow used in operating activities in the current six month periods was used for general and administrative expenses.

Cash flow provided by financing activities for the period from inception to June 30, 2007 was \$51,000. Cash flow used in financing activities for the six month period ended June 30, 2007 was \$58,000 as compared to cash flow provided by financing activities of \$7,000 for the six month period ended June 30, 2006. The cash flow used in financing activities during the current three and six month periods is attributable to the rescission of certain proceeds received from the sale of common stock.

Cash flow provided by investing activities for the period from inception to June 30, 2007 was \$0.

The Company's current assets may not be sufficient to conduct its plan of operation over the next twelve (12) months. Further, should the Company acquire a business opportunity over the next twelve month period, cash requirements may exceed current assets and the Company will have to seek debt or equity financing to fund operations. The Company has no current commitments or arrangements with respect to, or immediate sources of funding. Further, no assurances can be given that funding, if needed, would be available or available to the Company on acceptable terms. The Company's major shareholders would be the most likely source of new funding in the form of loans or equity placements though none have made any commitment for future investment and the Company has no agreement formal or otherwise. The Company had no formal long term lines or credit or other bank financing arrangements as of June 30, 2007.

Since earnings, if any, will be reinvested in operations, the Company does not expect to pay cash dividends in the foreseeable future.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors.

The Company has no current plans for any significant purchase or sale of any plant or equipment.

### ***Off Balance Sheet Arrangements***

As of June 30, 2007, the Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to stockholders.

### ***Critical Accounting Policies***

In the notes to the audited financial statements for the year ended December 31, 2006 included in the Company's Form 10-KSB, the Company discusses those accounting policies that are considered to be significant in determining the results of operations and its financial position. The Company believes that the accounting principles utilized by us conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires Company management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, the Company evaluates estimates. The Company bases its estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

### ***Forward Looking Statements and Factors That May Affect Future Results and Financial Condition***

The statements contained in the section titled “*Plan of Operation*” with the exception of historical facts, are forward looking statements within the meaning of Section 27A of the Securities Act. A safe-harbor provision may not be applicable to the forward looking statements made in this Form 10-QSB because of certain exclusions under Section 27A (b). Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance and business plan;
- the sufficiency of existing capital resources;
- our ability to raise additional capital to fund cash requirements for future operations;
- uncertainties related to the Company’s future business prospects;
- the ability of the Company to generate revenues to fund future operations;
- the volatility of the stock market and;
- general economic conditions.

We wish to caution readers that the Company’s operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated including the factors set forth in the section entitled “*Risk Factors*” below. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than is required by law.

### ***Risks Factors***

Our future operating results are highly uncertain. Before deciding to invest in us or to maintain or increase your investment, you should carefully consider the risks described below, in addition to the other information contained in our quarterly report. If any of these risks actually occur, our business, financial condition or results of operations could be seriously harmed. In that event, the market price for our common stock could decline and you may lose all or part of your investment.

### ***We have a history of significant operating losses and such losses may continue in the future.***

Since our inception in 2005, we have incurred expenses but realized no revenue, resulting in continuing losses and an accumulated deficit of \$79,486 as at June 30, 2007. We will continue to incur operating losses as we maintain our search for a suitable business opportunity and satisfy our ongoing disclosure requirements with the Securities and Exchange Commission. Our only expectation of future profitability is dependent upon our ability to develop or acquire a revenue producing business opportunity, which acquisition can in no way be assured. Therefore, we may never be able to achieve profitability.



***The Company's limited financial resources cast severe doubt on our ability to acquire a profitable business opportunity.***

The Company's future operation is dependent upon the development or acquisition of a profitable business opportunity. However, the prospect of such a business opportunity is doubtful due to the Company's limited financial resources. Since we have no current business, the Company is in a limited position to improve this financial condition through debt or equity offerings. Therefore, this limitation may act as a deterrent in future negotiations with prospective business opportunities. Should we be unable to develop or acquire a profitable business opportunity the Company will, in all likelihood, be forced to cease operations.

***A public market for our common stock is yet to develop.***

A public market for our common stock is yet to develop despite our quotation on the Over the Counter Bulletin Board. Should a public market develop it may be limited due to low trading volume and a small number of brokerage firms acting as market makers. Because of the limitations of our market and the prospective volatility of the market price of our stock, investors may face difficulties in selling their shares.

***We may incur significant expenses as a result of being quoted on the Over the Counter Bulletin Board, which may negatively impact our financial performance.***

We may incur significant legal, accounting and other expenses as a result of being quoted on the Over the Counter Bulletin Board. The Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission has required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002 as discussed in the following risk factor, may substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. As a result, there may be a substantial increase in legal, accounting and certain other expenses in the future, which would negatively impact our financial performance and could have a material adverse effect on our results of operations and financial condition.

***Our internal controls over financial reporting may not be considered effective, which could result in a loss of investor confidence in our financial reports and in turn have an adverse effect on our stock price.***

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, beginning with our annual report for the year ending December 31, 2008, we may be required to furnish a report by our management on our internal controls over financial reporting. Such report will contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to assert that our internal controls are effective as of December 31, 2008, investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

### ***Going Concern***

The Company's auditors have noted substantial doubt as to the Company's ability to continue as a going concern as a result of an accumulated deficit of \$79,486 as of June 30, 2007. The Company's ability to continue as a going concern is subject to the ability of the Company to realize a profit and /or obtain funding from outside sources. Management's plan to address the Company's ability to continue as a going concern includes: (1) obtaining funding from private placement sources; (2) obtaining additional funding from the sale of the Company's securities; (3) establishing revenues from prospective business opportunities; (4) obtaining loans and grants from various financial institutions where possible. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

### **ITEM 3. CONTROLS AND PROCEDURES**

The Company's chief executive officer and chief financial officer are responsible for establishing and maintaining disclosure controls and procedures for the Company.

#### **(a) Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of June 30, 2007. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and adequately designed to ensure that the information required to be disclosed by us in the reports we submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms and that such information was accumulated and communicated to our chief executive officer and chief financial officer, in a manner that allowed for timely decisions regarding disclosure.

#### **(b) Changes in Internal Controls**

During the period ended June 30, 2007, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

## **PART II**

### **ITEM 1. LEGAL PROCEEDINGS**

None.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES**

On March 28, 2007, the Company authorized the issuance of 50,000 (300,000 post forward split –May 2, 2007) shares of common stock valued at \$0.05 per share to Kent Carasquero as an incentive to him for agreeing to joining our board of directors pursuant to the exemptions from registration provided by Regulation S and Section 4(2) of the Securities Act of 1933, as amended.

The Company complied with Section 4(2) based on the following factors: (1) the issuance was an isolated private transaction that did not involve a public offering; (2) there was one offeree who was issued the stock as an incentive for agreeing to join the board of directors; (3) the offeree stated an intention not to resell the stock; (4) there were no subsequent or contemporaneous public offerings of the stock; (5) the stock was not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the stock took place directly between the offeree and the Company.

Regulation S provides generally that any offer or sale that occurs outside of the United States is exempt from the registration requirements of the Securities Act, provided that certain conditions are met. Regulation S has two safe harbors. One safe harbor applies to offers and sales by issuers, securities professionals involved in the distribution process pursuant to contract, their respective affiliates, and persons acting on behalf of any of the foregoing (the “issuer safe harbor”), and the other applies to resales by persons other than the issuer, securities professionals involved in the distribution process pursuant to contract, their respective affiliates (except certain officers and directors), and persons acting on behalf of any of the foregoing (the “resale safe harbor”). An offer, sale or resale of securities that satisfied all conditions of the applicable safe harbor is deemed to be outside the United States as required by Regulation S. The distribution compliance period for shares sold in reliance on Regulation S is one year.

The Company complied with the requirements of Regulation S by having made no directed offering efforts in the United States, by offering only to an offeree who were outside the United States at the time the stock was issued, and ensuring that the offeree to whom the stock was issued was a non-U.S. offeree with an address in a foreign country.

**ITEM 3.        DEFAULTS ON SENIOR SECURITIES**

None.

**ITEM 4.        SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

**ITEM 5.        OTHER INFORMATION**

None.

**ITEM 6.        EXHIBITS**

Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits on page 29 of this Form 10-QSB, and are incorporated herein by this reference.

## SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, this 13<sup>th</sup> day of August, 2007.

*Mistral Ventures, Inc.*

/s/ John Xinos

John Xinos  
Chief Executive Officer and Director

/s/ Kent Carasquero

Kent Carasquero  
Chief Financial Officer, Principal Accounting Officer and Director

## INDEX TO EXHIBITS

<i><b>Exhibit No.</b></i>	<i><b>Page No.</b></i>	<i><b>Description</b></i>
3(i)	*	Articles of Incorporation (incorporated by reference from our Form SB-2 Registration Statement, filed April 20, 2006).
3(ii)	*	Bylaws (incorporated by reference from our Form SB-2 Registration Statement, filed April 20, 2006).
31(i)	30	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(ii)	31	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(i)	32	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(ii)	33	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* Incorporated by reference from previous filings of the Company.

**EXHIBIT 31(i)**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Xinos, certify that:

1. I have reviewed this report on Form 10-QSB ("Report") of Mistral Ventures, Inc.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the period presented in this Report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer is made known to me by others within those entities, particularly during the period in which this Report is being prepared;
  - b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - c) Disclosed in this Report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: August 13, 2007

/s/ John Xinos  
John Xinos  
Chief Executive Officer

**EXHIBIT 31(ii)**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kent Carasquero, certify that:

1. I have reviewed this report on Form 10-QSB ("Report") of Mistral Ventures, Inc.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the period presented in this Report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer is made known to me by others within those entities, particularly during the period in which this Report is being prepared;
  - b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - c) Disclosed in this Report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: August 13, 2007

/s/ Kent Carasquero  
Kent Carasquero  
Chief Financial Officer

**EXHIBIT 32(i)**

**CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report on Form 10-QSB of Mistral Ventures, Inc. for the quarterly period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (“Report”), I, John Xinos, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) This Report complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly represents, in all material respects, the financial condition of the small business issuer at the end of the period covered by this Report and results of operations of the small business issuer for the period covered by this Report.

/s/ John Xinos  
John Xinos  
Chief Executive Officer  
August 13, 2007

This certification accompanies this Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the small business issuer for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the small business issuer and will be retained by the small business issuer and furnished to the Securities and Exchange Commission or its staff upon request.



**EXHIBIT 32(ii)**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report on Form 10-QSB of Mistral Ventures, Inc. for the quarterly period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (“Report”), I, Kent Carasquero, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) This Report complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly represents, in all material respects, the financial condition of the small business issuer at the end of the period covered by this Report and results of operations of the small business issuer for the period covered by this Report.

/s/ Kent Carasquero  
Kent Carasquero  
Chief Financial Officer  
August 13, 2007

This certification accompanies this Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the small business issuer for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the small business issuer and will be retained by the small business issuer and furnished to the Securities and Exchange Commission or its staff upon request.