

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 **September 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: **000-52028**

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 10th 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 November 12, 2007 was 42,350,000.

TABLE OF CONTENTS

PART I

ITEM 1. FINANCIAL STATEMENTS	3
Unaudited Balance Sheet as of September 30, 2007	4
Unaudited Statements of Operations for the three and nine month periods ended September 30, 2007 and 2006 and the period from inception to September 30, 2007	5
Unaudited Statements of Cash Flows for the nine months ended September 30, 2007 and 2006 and the period from inception to September 30, 2007	6
Statement of Changes in Stockholders' Equity	7
Notes to the Unaudited Financial Statements	8
ITEM 2. MANAGEMENT'S PLAN OF OPERATION	22
ITEM 3. CONTROLS AND PROCEDURES	31

PART II

ITEM 1. LEGAL PROCEEDINGS	32
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES	32
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	32
ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS	32
ITEM 5. OTHER INFORMATION	33
ITEM 6. EXHIBITS	33
SIGNATURES	34
INDEX TO EXHIBITS	35

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)

	As at 30 September 2007 (Unaudited) \$	As at 31 December 2006 (Audited) \$
Assets		
Current		
Cash and cash equivalents	499,530	77,624
Loans receivable (Note 4)	502,171	-
Prepaid expenses	-	687
	<u>1,001,701</u>	<u>78,311</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	18,158	9,845
Due to related party (Note 6)	2,500	-
	<u>20,658</u>	<u>9,845</u>
Stockholder's equity		
Capital stock (Note 8)		
Authorized		
1,125,000,000 common shares, par value \$0.001		
Issued and outstanding		
30 September 2007 – 40,350,000 common shares, par value \$0.001	40,350	3,800
31 December 2006 – 57,000,000 common shares, par value \$0.001	1,000,000	-
Share subscriptions received in advance (Note 8)	10	10
Warrants (Note 8)	36,140	122,190
Additional paid-in capital	(95,457)	(57,534)
Deficit, accumulated during the exploration stage	<u>981,043</u>	<u>68,466</u>
	<u>1,001,701</u>	<u>78,311</u>

Nature and Continuation of Operations (Note 1) and **Commitments** (Note 10)

The accompanying notes are an integral part of these financial statements.

Mistral Ventures, Inc.
(A Development Stage Company)
Statements of Operations
(Expressed in U.S. Dollars)
(Unaudited)

	For the period from the date of inception on 13 May 2005 to 30 September 2007 \$	For the nine month period ended 30 September 2007 \$	For the nine month period ended 30 September 2006 \$
Expenses			
Acquisition of a mineral property (Notes 3, 7, 8 and 11)	9,000	-	9,000
Mineral property exploration costs	5,230	-	-
Legal and accounting	56,508	25,884	15,158
Listing and filing fees	2,361	1,599	-
Management fees (Notes 7 and 11)	14,400	7,600	5,100
Office and miscellaneous	2,323	1,296	1,009
Rent (Notes 7 and 11)	2,100	900	900
Transfer agent fees	5,706	2,815	548
Net loss before other items	<u>(97,628)</u>	<u>(40,094)</u>	<u>(31,715)</u>
Other items			
Interest income	<u>2,171</u>	<u>2,171</u>	<u>-</u>
Net loss for the period	<u>(95,457)</u>	<u>(37,923)</u>	<u>(31,715)</u>
Basic and diluted loss per common share		<u>(0.001)</u>	<u>(0.001)</u>
Weighted average number of common shares used in per share calculations		<u>42,596,703</u>	<u>26,610,000</u>

The accompanying notes are an integral part of these financial statements.

Mistral Ventures, Inc.
(A Development Stage Company)
Statements of Cash Flows
(Expressed in U.S. Dollars)
(Unaudited)

	For the period from the date of inception on 13 May 2005 to 30 September 2007 \$	For the nine month period ended 30 September 2007 \$	For the nine month period ended 30 September 2006 \$
Cash flows from operating activities			
Net loss for the period	(95,457)	(37,923)	(31,715)
Adjustments to reconcile loss to net cash used by operating activities			
Acquisition of a mineral property (Notes 3, 7, 8 and 11)	9,000	-	9,000
Accrued interest receivable	(2,171)	(2,171)	-
Contributions to capital by related party – expenses (Notes 7, 8 and 11)	16,500	8,500	6,000
Changes in operating assets and liabilities			
Increase in prepaid expenses	-	687	250
Increase (decrease) in accounts payable and accrued liabilities	18,158	8,313	(1,461)
	<u>(53,970)</u>	<u>(22,594)</u>	<u>(17,926)</u>
Cash flows from financing activities			
Common shares issued (rescinded) for cash (Note 8)	50,990	(58,000)	99,990
Share subscription received in advance (Note 8)	1,000,000	1,000,000	-
Increase in loans receivable (Note 4)	(500,000)	(500,000)	-
Proceeds from related party (Note 6)	2,500	2,500	7,000
Warrants issued for cash	10	-	10
	<u>553,500</u>	<u>444,500</u>	<u>107,000</u>
Increase (decrease) in cash and cash equivalents	499,530	421,906	89,074
Cash and cash equivalents, beginning of period	<u>-</u>	<u>77,624</u>	<u>8,677</u>
Cash and cash equivalents, end of period	<u>499,530</u>	<u>499,530</u>	<u>97,751</u>

Supplemental Disclosures with Respect to Cash Flows (Note 11)

The accompanying notes are an integral part of these financial statements.

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 and share subscriptions received in advance \$	Warrants \$	Deficit, accumulated during the exploration stage \$	Stockholder's equity \$
Balance at 13 May 2005 (inception)						
Common shares issued for cash (\$0.001 per share)	13,500,000	13,500	(4,500)	-	-	9,000
Net loss for the period	-	-	-	-	(5,773)	(5,773)
Balance at 31 December 2005	13,500,000	13,500	(4,500)	-	(5,773)	3,227
Common shares issued for a mineral property (\$0.001 per share) (Notes 3 and 8)	13,500,000	13,500	(4,500)	-	-	9,000
Common shares issued for cash (\$0.05 per unit) – 20 September 2006 (Note 8)	30,000,000	30,000	69,975	-	-	99,975
Warrants granted for cash (Note 8)	-	-	-	25	-	25
Contributions to capital by related party – expenses	-	-	8,000	-	-	8,000
Net loss for the year	-	-	-	-	(51,761)	(51,761)
Balance at 31 December 2006	57,000,000	57,000	68,975	25	(57,534)	68,466
Common shares rescinded for cash (\$0.001 per share) – 9 February 2007 (Note 8)	(17,400,000)	(17,400)	(40,585)	(15)	-	(58,000)
Common shares issued to a director (\$0.001 per share) – 29 March 2007 (Notes 7, 8 and 11)	750,000	750	1,750	-	-	2,500
Contributions to capital by related party – expenses (Notes 7, 8 and 11)	-	-	6,000	-	-	6,000
Share subscription received in advance (Note 8)	-	-	1,000,000	-	-	1,000,000
Net loss for the period	-	-	-	-	(37,923)	(37,923)
Balance at 30 September 2007	40,350,000	40,350	1,036,140	10	(95,457)	981,043

The accompanying notes are an integral part of these financial statements.

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 September 2007 and for the nine 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 \$37,923 for the nine month period ended 30 September 2007 (30 September 2006 - \$31,715) and has working capital of \$981,043 at 30 September 2007 (31 December 2006 – working capital of \$68,466).

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.

On 31 August 2007 the board of directors of the Company authorized a one to 2.5 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 11 September 2007. The effect of the forward split was to increase the number of the Company’s common shares issued and outstanding from 16,140,000 to 40,350,000 and to increase the Company’s authorized common shares from 450,000,000 shares par value \$0.001 to 1,125,000,000 shares par value \$0.001. The financial statements have been retroactively adjusted to reflect these stock splits.

1. Nature and Continuance of Operations - continued

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 September 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.

2. Significant Accounting Policies - continued

Mineral property costs - continued

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.

2. Significant Accounting Policies - continued

Environmental expenditures - continued

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 30 September 2007, the Company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

2. Significant Accounting Policies - continued

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 30 September 2007.

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.

2. Significant Accounting Policies - continued

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 SFAS No. 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.

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.

2. Significant Accounting Policies – continued

Recent accounting pronouncements– continued

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.

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 13,500,000 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 (Note 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. Loans Receivable

As at 30 September 2007	As at 31 December 2006
\$	\$

The loan receivable bears interest at a rate of 10% per annum on any unpaid principle balance, is secured by a general charge on the assets of the Company and is due and payable on 31 December 2007. The balance of \$502,171 outstanding at 30 September 2007 (31 December 2006 - \$Nil) consists of principle \$500,000 and unpaid accrued interest of \$2,171 (31 December 2006 – \$Nil). On 7 September 2007, the Company entered into a bridge loan agreement with CypherEdge Technologies Inc. (the “borrower”). Under the terms of this loan agreement, the Company is committed to lending principal of up to \$1,000,000 at the option of the borrower (Note 10).

<u>502,171</u>	<u>-</u>
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5. Accounts Payable and Accrued Liabilities

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

6. Due to Related Party

As at 30 September 2007, the amount due to related party consists of \$2,500 (31 December 2006 - \$nil) payable to a director of the Company. This balance is non-interest bearing, unsecured and has no fixed terms of repayment.

7. Related Party Transactions

During the nine month period ended 30 September 2007, 750,000 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 nine month period ended 30 September 2007, an officer, director and shareholder of the Company made contributions to capital for management fees and rent of \$7,600 (30 September 2006 - \$5,100, cumulative - \$14,400) and \$900 (30 September 2006 - \$900, cumulative - \$2,100) respectively (Notes 8 and 11). These amounts have been recorded as an increase in expenditures and an increase in additional paid-in capital.

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, 8 and 11).

8. Capital Stock

Authorized

The total authorized capital is 1,125,000,000 common shares with a par value of \$0.001 per common share.

Issued and outstanding

The total issued and outstanding capital stock is 40,350,000 common shares with a par value of \$0.001 per common share.

- i. On 9 February 2006, the Company issued 13,500,000 common shares valued at \$0.01 per share for the acquisition of a mineral property (Notes 3, 7 and 11).
- ii. On 20 September 2006, 30,000,000 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 8).
- iii. On 9 February 2007, the Company chose to offer a rescission to shareholders who were not accredited investors. In total, 17,400,000 shares valued at \$58,000 were rescinded.

8. Capital Stock - continued

Issued and outstanding

- 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. On 31 August 2007 the board of directors of the Company authorized a one to 2.5 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 11 September 2007. The effect of the forward split was to increase the number of the Company's common shares issued and outstanding from 16,140,000 to 40,350,000 and to increase the Company's authorized common shares from 450,000,000 shares par value \$0.001 to 1,125,000,000 shares par value \$0.001. The financial statements have been retroactively adjusted to reflect these stock splits.
- vi. During the nine month period ended 30 September 2007, an officer, director and shareholder of the Company made contributions to capital by the payment of the Company's expenses (Notes 7 and 11).
- vii. During the nine month period ended 30 September 2007, 750,000 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 7 and 11).

Share subscriptions received in advance

On 4 September 2007, the Company received \$1,000,000 as payment for a share subscription for 2,000,000 shares at a price of \$0.50. The securities related to this subscription have not yet been issued.

8. Capital Stock - continued

Warrants

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

	Exercise price \$	Number of warrants	Remaining contractual life (years)
Warrants	0.04	<u>25,200,000</u>	0.95

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

	Number of warrants	Weighted average exercise price \$
Outstanding and exercisable at 1 January 2007	60,000,000	0.04
Granted	-	-
Exercised	-	-
Expired	-	-
Rescinded	<u>(34,800,000)</u>	<u>-</u>
Outstanding and exercisable at 30 September 2007	<u>25,200,000</u>	<u>0.04</u>
Weighted average fair value of warrants outstanding and exercisable at 30 September 2007		<u>0.0000008</u>

The weighted average grant date fair value of warrants issued during the year ended 30 September 2007 is \$0.0000008 per warrant. The fair value of each warrant granted was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	30 September 2007
Risk free interest rate	4.81%
Expected life	0.95 year
Annualized volatility	78%
Expected dividends	0%

8. Capital Stock - continued

Warrants - continued

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.

9. Income Taxes

The Company has losses carried forward for income tax purposes to 30 September 2007. There are no current or deferred tax expenses for the period ended 30 September 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.

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

	For the nine month period ended 30 September 2007 \$	For the nine month period ended 30 September 2006 \$
Deferred tax asset attributable to:		
Current operations	12,894	10,783
Contributions to capital by related party – expenses	(2,890)	(2,040)
Stock based compensation	-	-
Less: Change in valuation allowance	(10,004)	(8,743)
Net refundable amount	-	-

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

9. Income Taxes - Continued

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

	30 September 2007	31 December 2006
	\$	\$
Net income tax operating loss carry forward	<u>(78,957)</u>	<u>(49,534)</u>
Statutory federal income tax rate	34%	34%
Effective income tax rate	0%	0%
Deferred tax assets	26,845	16,842
Less: Valuation allowance	<u>(26,845)</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 September 2007, the Company has an unused net operating loss carry forward balance of approximately \$78,957 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.

10. Commitments

- i. On 7 September 2007, the Company entered into a purchase agreement with CypherEdge Technologies, Inc. ("CypherEdge"), Mr. James Linkous and John Xinos, whereby the Company has the right to acquire all of the issued and outstanding common shares of CypherEdge in consideration for the issuance of 83,000,000 shares of common shares of the Company to the stockholders CypherEdge. Under the terms of the purchase agreement, the closing of the acquisition is to take place no later than December 31, 2007.
- ii. On 7 September 2007, the Company entered into a bridge loan agreement with CypherEdge whereby the Company is to provide a bridging loan of up to \$1,000,000 to CypherEdge. At 30 September 2007, the Company had advanced \$500,000 related to this loan agreement (Note 4).

11. Supplemental Disclosures with Respect to Cash Flows

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

	For the period from the date of inception on 13 May 2005 to 30 September 2007 \$	For the nine month period ended 30 September 2007	For the nine month period ended 30 September 2006 \$
Cash paid during the year for interest	-	-	-
Cash paid during the year for income taxes	-	-	-

During the nine month period ended 30 September 2007, 750,000 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 8).

During the nine month period ended 30 September 2007, an officer, director and shareholder of the Company made contributions to capital for management fees and rent of \$7,600 (30 September 2006 - \$5,100, cumulative - \$14,400) and \$900 (30 September 2006 - \$900, cumulative - \$2,100) respectively (Notes 7 and 8).

During the year ended 31 December 2006, the Company issued 13,500,000 common shares valued at \$9,000 for the acquisition of a mineral property (Notes 3, 7 and 8).

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 September 30, 2007. Our fiscal year end is December 31.

General

The Company was incorporated in the State of Nevada on May 13, 2005 to engage in the acquisition, exploration, and development of natural resource properties. We have been unable to identify economically viable deposits of precious metals and thus have postponed the continuation of such activities.

Plan of Operation

Beginning the first quarter of fiscal 2007 we decided to shift our focus away from the exploration of mineral properties to alternative business opportunities. After a vigorous search, on September 7, 2007, we entered into a purchase agreement with CypherEdge Technologies, Inc. ("CypherEdge"), the stockholders of CypherEdge, James Linkous, and John Xinos. The agreement provides for the right to acquire all of the issued and outstanding shares of common stock of CypherEdge in exchange for the issuance of 83,000,000 shares of our common stock. In conjunction with the agreement we agreed to loan CypherEdge \$1,000,000, of which, as of the date of this report, we have advanced \$975,000 at an interest rate of 10% per annum, repayable in full by December 31, 2007. The closing of the acquisition shall occur no later than December 31, 2007.

Due to conditions precedent to closing, and the risk that these conditions will not be satisfied, there is no assurance that we will complete the acquisition of CypherEdge as contemplated in the purchase agreement. If we do not complete the closing of the acquisition, the Company's plan of operation for the coming year will be to identify and acquire an alternative business opportunity. We will not limit our options to any particular industry, but will evaluate each opportunity on its own merits.

Description of Intended Business

CypherEdge is in the business of providing solutions to wireless service providers in an effort to improve customer experience, quality of service, network reliability, and profitability. CypherEdge designs, deploys, and maintains data-driven solutions within carrier enterprise environments. In addition, CypherEdge provides services in the areas of systems architecture and application development as they relate to delivering database solutions. CypherEdge is centered upon two over-riding directives:

- Innovation and vision to provide solutions that have strategic importance and high return on investment
- Solutions that provide the highest levels of reliability, stability, and availability.

CypherEdge's principal product is the CallMine® solution which was created to help wireless carriers become more profitable and efficient. CallMine® takes the output from the multiple network sources and moves the information into a dynamic repository. The patent-pending CallMine® Repository creates a brain from which intelligent applications are created. These management tools extract data from the repository and provide users with the configurable information necessary to operate both intuitively and proactively. Understanding how subscribers are accessing the network will help validate the network design, usage, and service plans and identify areas for improvement.

The four management tools of the CallMine® solution are as follows:

- The CallMine® Activity Profiling System (APS) uses subscriber and network data and provides the wireless carrier with valuable insights into subscriber activity. APS captures specific subscriber data and creates a profile of the customer usage and history of services. Matching characteristics of profiles and these services give confirmed detail and verification of activity. The operator is enabled to identify and manage trends in an accessible, interactive format.
- The CallMine® Device Management System uses subscriber data and provides the wireless carrier with valuable insight as to how the device impacts the customer experience. A heightened customer satisfaction provides positive return on investment through increase usage of services. The application is capable of determining device service levels associated with specific models, groups, or across the entire install base.
- The CallMine® Network Intelligence Services (NIS) uses network data and provides the wireless carrier with valuable insight into how the network impacts the customer experience. The integrity of the network is directly affected by the optimization and reliability of the various elements. NIS provides dynamic detailed insight into the internal behavior of a network within an hourly basis. Gathering data from the various elements is designed to support the analysis of all facets of the network and associated service levels.
- The CallMine® Market Response System (MRS) uses subscriber data and supplies the wireless carrier with valuable insight into the acceptance level of plans and services. MRS evaluates the overall calling experience by providing management a clear view into marketing campaigns and compares them against actual usage. Quantifying the various aspects within the subscriber base creates a superior quality product.

Results of Operations

During the period ended September 30, 2007, the Company was involved in the evaluation of a mining exploration program completed on the Gold Bug Project. Based on the poor results of that program, the Company began searching for an alternative business opportunity. Since identifying CypherEdge as a suitable business opportunity, we have been negotiating and formulating an acquisition agreement as well as satisfying those conditions required to close the agreement.

Net Loss

Since inception to September 30, 2007, the Company recorded an operating loss of \$95,457. Net losses for the nine month period ended September 30, 2007 were \$37,923 as compared to \$31,715 for the nine months ended September 30, 2006. The Company's operating losses in the current nine month period are primarily attributable to general and administrative expenses including legal, accounting, management, transfer agent, and consulting costs. We have not generated any revenues since inception.

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

Capital Expenditures

The Company expended no amounts on capital expenditures from inception to September 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, we have 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. We believe that we can offset inflationary increases by improving operating efficiencies.

Capital Resources and Liquidity

The Company had current and total assets of \$1,001,701 at September 30, 2007, consisting of cash and cash equivalents of \$499,530 and a loan receivable of \$502,171. We had current and total liabilities of \$20,658 at September 30, 2007. Net stockholders' equity in the Company was \$981,043 at September 30, 2007. The Company is in the development stage and, since inception, has experienced significant changes in liquidity, capital resources, and shareholders' equity.

Cash flow used in operating activities was \$53,970 for the period from inception to September 30, 2007. Cash flow used in operating activities was \$22,594 for the nine month period ended September 30, 2007, as compared to cash flow used in operating activities of \$17,926 for the nine month period ended September 30, 2006. Cash flow used in operating activities in the current nine month period was mainly due to legal and accounting expenses.

Cash flow provided by financing activities for the period from inception to September 30, 2007 was \$553,500. Cash flow provided by financing activities for the nine month period ended September 30, 2007 was \$444,500 as compared to cash flow provided by financing activities of \$107,000 for the nine month period ended September 30, 2006. The cash flow provided by financing activities during the current nine month period is primarily attributable to a share subscription for received in advance totaling \$1,000,000 for 2,000,000 shares at a price of \$0.50, of which \$500,000 was loaned to CypherEdge as of September 30, 2007. The securities related to this subscription have not been issued as of the date of this report.

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

The Company's has working capital of \$981,043. Our current assets may be sufficient to conduct our plan of operation over the next twelve (12) months. However, should we acquire CypherEdge or another business opportunity over the next twelve month period, cash requirements may exceed current assets and we will have to seek debt or equity financing to fund operations. We neither have current funding commitments or arrangements nor immediate sources of funding. Further, no assurance can be given that funding, if needed, would be available to us on acceptable terms if at all. Our 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 we have no agreement formal or otherwise.

The Company had no formal long term lines or credit or other bank financing arrangements as of September 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 our 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 September 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.

Stock-Based Compensation

On January 1, 2006, we adopted SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. In January 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and instead generally requires that such transactions be accounted for using a fair-value-based method. We use the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, Accounting for Stock-Based Compensation. We have elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006, the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123.

Prior to the adoption of SFAS No. 123R, we measured compensation expense for our employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. We applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Company's employee stock options was equal to the market price of the underlying stock on the date of the grant, no compensation expense was recognized. We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

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, we discuss those accounting policies that are considered to be significant in determining our results of operations and financial position. We believe 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, we evaluate these estimates. We base our 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.

Recent accounting pronouncements

In February 2007, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 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 our financial statements.

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. We are 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 us in our fiscal year beginning on January 1, 2008. We are 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.

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.

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.

Risks to the Company

We are a development stage company; we have a history of operating losses and such losses may continue in the future.

The Company may be considered to be in the development stage. Since our inception in 2005, we have incurred expenses but realized no revenue, resulting in continuing losses and an accumulated deficit of \$95,457 at September 30, 2007. We will continue to incur operating losses as we 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. Though we have entered into an agreement to acquire CypherEdge, neither the acquisition nor significant revenue can be assured. We may never be able to achieve profitability.

Inability to meet cash flow requirements may cause a need for substantial additional capital.

The Company's operations to date have been financed through debt and the sale of equity. While we have \$499,530 in cash on hand as of September 30, 2007, these funds are necessary to close the agreement with CypherEdge and we may not have adequate cash flow from future operations or financing activities to meet our needs. Even if unanticipated expenses, problems, or unforeseen business difficulties do not arise, we may still not be able to continue to operate within our budget, and additional funds would be immediately necessary to sustain operations. Additional funding would likely result in the dilution of current shareholder interests, which may be detrimental to the business, image, or reputation of the Company. We may not be able to obtain additional funds on acceptable terms, or at all. Further, we do not currently have any established third-party bank credit arrangements. If the Company is unable to obtain additional funds when needed, we would be required to curtail operations.

The intended acquisition of CypherEdge will result in dilution to our current stockholders' voting power and ownership percentages.

The issuance of shares of our capital stock for the purpose of consummating the acquisition of CypherEdge will dilute the voting power and ownership percentage of our existing stockholders. We will issue a total of 83,000,000 shares of our common stock in the transaction, resulting in a dilution of approximately 67.3% to our current stockholders.

We may not realize the anticipated benefits from the acquisition which could cause our stock price to decline.

We may not achieve the benefits we are seeking from our intended acquisition. CypherEdge may not be successful in its efforts focused on providing technological data solutions to wireless carriers. As a result, our operations and financial results may not be rewarding, which may cause the market price of our common stock to decline.

Risks to the Company's Intended Business

The Company must keep up with technological change.

Upon the intended acquisition of CypherEdge, the Company will provide technological solutions to wireless service providers, which will entail significant technical and business risks. The hardware, software, and wireless industries are characterized by rapid technological change, the emergence of new industry standards and practices, and changes in customer requirements and preferences. Therefore, we may be required to license emerging technologies or develop new technology that address the needs of current and prospective customers and wireless providers, and adapt to technological advances and emerging industry and regulatory standards and practices in a cost-effective and timely manner. The ability to remain technologically competitive will require substantial expenditures and lead time, and our failure to do so may harm our business and results of operations.

The Company may experience risks associated with rapid growth.

The Company's success will depend in large part upon our ability to attract and retain qualified marketing and sales personnel. Our strategy contemplates significant growth in our business, which would place demands on our management and our limited resources. To manage any such growth, we would be required to attract and train additional qualified personnel, as well as maintain adequate facilities. If we are unable to effectively manage growth, our business, operating results, and financial condition could be adversely affected.

The Company will be facing established and potential competitors in the market.

CypherEdge currently has few direct competitors. However, since barriers to entry are few, we expect that numerous other competitors may arise as the market grows. Additionally, many established companies will have the ability to compete with us directly. These potential competitors may have longer operating histories, significantly greater financial, technical, marketing, customer service, and other resources, greater name recognition, and/or a larger, more well-established base of customers. They may respond to new or changing technologies and changes in customer requirements more quickly and effectively. They may devote greater resources to research and development, promotion, and sales, and they may be able to offer lower prices for competitive products. They may offer services for free to gain market share, and we may be required to lower our prices in order to remain competitive. If these potential competitors acquire a significant share of our target markets, we may not have the resources to compete effectively.

The Company will have a dependence on intellectual property rights.

The Company's success will depend, in large part, on our ability to protect our future brands and products and to defend our intellectual property rights. We cannot be sure that trademarks will be issued with respect to any future trademark applications or that our competitors will not challenge, invalidate, or circumvent any existing or future trademarks issued to, or licensed by us. Some of our competitors, many of whom will be more established and have greater financial and personnel resources than we have, may be able to replicate our processes, brands, or unique market segment products in a manner that could circumvent protective safeguards. We can offer no absolute assurance that our proprietary business information will remain confidential.

Risks to the Company's Stock

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, 2007, 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, 2007, investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

We do not anticipate offering dividends.

For the foreseeable future, it is anticipated that earnings, if any, that may be generated from our operations will be used to finance our operations and that cash dividends will not be paid to holders of our common stock. The unlikelihood of cash dividends may have a negative effect on future sales of the Company's common stock, on the market price, if any, of such common stock, and on our ability to raise capital through an offering of our equity securities.

Our common stock is considered a high-risk penny stock.

Since the Company's common stock is a "penny stock", as defined in Rule 3a51-1 under the Exchange Act, it will be more difficult for investors to liquidate their investment. Until such time, if ever, as the trading price of the common stock rises above \$5.00 per share, trading in the Company's common stock is subject to the penny stock rules of the Exchange Act specified in Rules 15g-1 through 15g-10. Those rules require broker-dealers, before effecting transactions in any penny stock, to:

- deliver to the customer, and obtain a written receipt for, a disclosure document;
- disclose certain price information about the stock;
- disclose the amount of compensation received by the broker-dealer or any associated person of the broker-dealer;
- send monthly statements to customers with market and price information about the penny stock; and
- in some circumstances, approve the purchaser's account under certain standards and deliver written statements to the customer with information specified in the rules.

Consequently, the penny stock rules may restrict the ability or willingness of broker-dealers to sell the common stock and may affect the ability of holders to sell their common stock in the secondary market and the price at which such holders can sell any such securities. These additional procedures could limit our ability to raise additional capital in the future.

Going Concern

Our auditors have noted substantial doubt as to the Company's ability to continue as a going concern. 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 our securities; (3) establishing revenues; (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 September 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 September 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 September 4, 2007, the Company entered into a subscription agreement to issue 2,000,000 shares of restricted stock for cash consideration of \$1,000,000 or \$0.50 a share to Ludwig Holdings Limited pursuant to the exemptions from registration provided by Regulation S and Section 4(2) of the Securities Act of 1933, as amended. No commission was paid in connection with the subscription. The shares purchased have not yet been issued to the subscriber.

The Company complied with the exemption requirements of 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 only one offeree who was issued stock for cash consideration; (3) the offeree committed to hold the stock for at least one year; (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 was outside the United States at the time the subscription agreement was accepted, and ensuring that the offeree to whom the stock is to be issued is 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 35 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 12th day of November, 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>Exhibit No.</i>	<i>Page</i>	<i>Description</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).
10(i)	Attached	Common Shares Subscription Agreement dated September 4, 2007, with Ludwig Holdings Limited.
10(ii)(a)	*	Purchase Agreement dated September 7, 2007 with CypherEdge Technologies Inc., the stockholders of CypherEdge Technologies Inc., James Linkous, and John Xinos (incorporated by reference from our Form 8-K, filed November 5, 2007).
10(ii)(b)	*	Bridge Loan Agreement dated September 7, 2007 with CypherEdge Technologies Inc. (incorporated by reference from our Form 8-K, filed November 5, 2007).
10(ii)(c)	*	Security Agreement dated September 7, 2007 with CypherEdge Technologies Inc. (incorporated by reference from our Form 8-K, filed November 5, 2007).
10(ii)(d)	*	Promissory Note of CypherEdge Technologies Inc. dated September 7, 2007 (incorporated by reference from our Form 8-K, filed November 5, 2007).
31(i)	Attached	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(ii)	Attached	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(i)	Attached	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)	Attached	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.

SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT"), OR ANY STATE OR PROVINCIAL SECURITIES ACTS AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE ACTS. SUCH SECURITIES MAY NOT BE REOFFERED FOR SALE OR RESOLD OR OTHERWISE TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE APPLICABLE PROVISIONS OF THE 1933 ACT, STATE OR PROVINCIAL SECURITIES ACT OR ARE EXEMPT FROM SUCH REGISTRATION. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR BY ANY STATE OR PROVINCIAL SECURITIES ADMINISTRATION OR REGULATORY AUTHORITY NOR HAS THE SEC OR ANY STATE OR PROVINCIAL SECURITIES ADMINISTRATION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS AGREEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**MISTRAL VENTURES, INC.
COMMON SHARES SUBSCRIPTION AGREEMENT**

INSTRUCTIONS: To properly complete this Agreement you must complete this page and page 2 and:

1. If you are a resident of British Columbia, sign the Canadian Certificate of Accredited Investor attached as Schedule B and Risk Acknowledgement attached as Schedule C. The purpose of the Schedule B Certificate is to determine whether you meet the standards for participation in a private placement under British Columbia securities laws where the company currently resides; and
2. If you are resident in the United States or a United States citizen, complete Schedule A, Certification of U.S. Purchaser. The purpose of the Certification is to determine whether you meet the standards for participation in a private placement under *Rule 506 of Regulation D* promulgated by the Securities and Exchange Commission; or
3. If you are Non-United States resident, complete Schedule D, Certification of Non-U.S. Purchaser.
4. All Purchasers should also complete the Registration Rights Agreement forwarded with this Agreement.

TO: MISTRAL VENTURES, INC. (the "**Corporation**")
325-3495 Cambie Street, Vancouver, British Columbia V5Z 4R3

The undersigned (hereinafter referred to as the "**Purchaser**") hereby irrevocably subscribes for and agree to purchase from the Corporation the number of shares of Common Stock of the Corporation (the "**Shares**" or "**Securities**") set forth below for the total consideration set forth below (the "**Purchase Price**"), representing a subscription price of US \$ 0.50 (as hereinafter defined) per Share, upon and subject to the terms and conditions (including adjustment), and hereby covenants, represents and warrants as set forth in "Terms and Conditions of Subscription of Shares of MISTRAL VENTURES, INC." dated for reference September 4, 2007 attached hereto and expressly incorporated herein.

EXECUTED by the Purchaser this 4th day of September, 2007.

WITNESS:

Signature of witness

Name of witness

Address of witness

ACCEPTED this 4 day of September, 2007.

MISTRAL VENTURES, INC.

Per:

/s/ John Xinos

Authorized signatory

EXECUTION BY PURCHASER:

X /s/ Steve Drayton

Signature of individual or Authorized Signatory

Ludwig Holdings Limited

Name of Purchaser (**please print**)

Steve Drayton

Name of authorized signatory (**please print**)

Address of Purchaser (residence if an individual)

Telephone Number

E-Mail Address

SUBSCRIPTION INFORMATION

Number of Shares: 2,000,000

Purchase Price US\$: 1,000,000

NON-PRINCIPAL INFORMATION

If the Purchaser is signing as an agent for a principal and is not a trust company or an insurer or, in British Columbia a portfolio manager, in either case purchasing as trustee or agent for accounts fully managed by it, complete the following:

Name of Principal (**please print**)

Address of Principal

Telephone Number

E-Mail Address

REGISTRATION INSTRUCTIONS:

Ludwig Holdings Limited

Name to appear on certificate

Account reference, if applicable

Address

DELIVERY INSTRUCTIONS:

Name and account reference, if applicable

Contact name

Address

Telephone number

REPRESENTATION OF PURCHASER:

1. The Purchaser represents that the number of shares of common stock or securities convertible into shares of common stock of the Corporation presently owned (beneficially, directly or indirectly) by the Purchaser are as follows:

Shares of common stock: 0

Securities Convertible into shares of common stock: _____None_____

2. The Purchaser represents that the Purchaser **is / is not (circle one)** an Insider of the Corporation (as defined in the definition section below).

ACCEPTANCE: The Corporation hereby accepts the above subscription and the Corporation represents and warrants to the Purchaser that the representations, warranties and covenants made by the Corporation in this Agreement are true and correct in all material respects as of this date and that the Purchaser is entitled to rely thereon.

MISTRAL VENTURES, INC.

Dated: September 4, 2007
Execution Date

Per: /s/ John Xinos
John Xinos, President

OFFERING TERMS

Reference date of this Agreement: September 4, 2007 (the "**Subscription Date**")

The Offering:

The Issuer:

Name: MISTRAL VENTURES, INC. (the "**Corporation**")

Jurisdiction of organization: The Corporation is incorporated under the laws of Nevada.

Authorized and outstanding capital: At the time of closing the Company will have:

- 1,125,000,000 shares of common stock with a par value \$0.001 per share of which 40,350,000 shares will be issued and outstanding on a post-split basis; and

Securities Legislation Applicable to the Corporation or this Offering: The United States *Securities Act of 1933*, and the *Securities Act* (British Columbia) together with the regulations and rules made and promulgated thereunder and all administrative policy statements, orders and rulings, notices and other administrative directions issued by the Commissions (as defined below).

Purchased Securities: The "**Securities**" are shares of Common Stock of the Corporation. A maximum total of 2,000,000 shares of Common Stock of the Corporation are being offered (the "**Shares**" or the "**Securities**"). There is no minimum number of Shares which needs to be sold in this Offering. These Securities are being offered for cash.

Price: US \$0.50 per Share for gross proceeds of US\$ 1,000,000 if all 2,000,000 Shares being offered are sold.

Commission: No finder's fee will be paid in cash or in shares of the Corporation in connection with this Offering.

Additional provisions: The Shares will be issued and registered in the name of the purchasers or their nominees.

The issuance of the Shares in the Offering will not restrict or prevent the Corporation from obtaining any other financing, or from issuing additional securities or rights. Purchaser acknowledges the dilution and effect of the transactions contemplated by the **Purchase Agreement** (defined below) and the exhibits thereto.

Selling Jurisdictions: The Shares may be sold in the United States, British Columbia and in jurisdictions outside of Canada and the United States (the "**Selling Jurisdictions**") solely in accordance with available exemptions and applicable law.

Exemptions: The Offering will be made in accordance with the following exemptions from the prospectus and registration requirements:

- (a) in the United States, *Rule 506 of Regulation D* promulgated under the U.S. *Securities Act of 1933*; and
- (b) in British Columbia, the "accredited investor" exemption (s. 5.1, National Instrument 45-106) and *Regulation S* of the U.S. *Securities Act of 1933*; and
- (d) outside of the United States and Canada, *Regulation S* of the U.S. *Securities Act of 1933*.

Closing Date Payment for, and delivery of, the Shares is scheduled to occur on or before June 30, 2007 (the "**Closing Date**") or such other date as determined by the Corporation, in its sole discretion.

Resale restrictions and legends There are substantial restrictions on the transferability of the Shares being offered; the Shares will not be, and investors in the Corporation have no right to require that the Shares be, registered under the Securities Act; there will be no public market for the Shares; and you will not immediately be able to avail yourself of the provisions of Rule 144 adopted by the Securities and Exchange Commission under the Securities Act with respect to resale of the Shares;

The Purchaser acknowledges that the certificates representing the Shares will bear legends in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR OTHER APPLICABLE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH THE PROVISIONS OF REGULATIONS S, RULE 901 THROUGH RULE 905, AND PRELIMINARY NOTES UNDER THE 1933 ACT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE 1933 ACT."

And Canadian Residents:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) _____, 2007 AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR SHARES
OF
MISTRAL VENTURES, INC.**

Dated for reference September 4, 2007

1. DEFINITIONS.

1.1 In the Subscription Agreement (and all schedules and appendixes incorporated by reference), the following words have the following meanings unless otherwise indicated:

- a. "**1933 Act**" means the United States *Securities Act of 1933*, as amended;
- b. "**Applicable Legislation**" means the Securities Legislation Applicable to the Corporation (as defined on page 3) and all legislation incorporated in the definition of this term in other parts of the Subscription Agreement, together with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by the Commissions;
- c. "**Closing**" means the completion of the sale and purchase of the Purchased Securities;
- d. "**Closing Date**" has the meaning assigned in the Terms being on or before March 31, 2007 or such other date as determined by the Corporation, in its sole discretion;
- e. "**Commissions**" means all securities commissions incorporated in the definition of this term in other parts of the Subscription Agreement and the Securities and Exchange Commission;
- f. "**Corporation**" means MISTRAL VENTURES, INC.;
- g. "**Final Closing**" means the last closing under the Private Placement;
- h. "**General Provisions**" means those portions of the Subscription Agreement headed "General Provisions" and contained on page 11 to 17;
- i. "**Offering**" means up to 2,000,000 Shares to raise an aggregate total of US\$ 1,000,000 in cash.
- j. "**Private Placement**" means the offering of the Purchased Securities on the terms and conditions of this Subscription Agreement;
- k. "**Purchased Securities**" has the meaning assigned in the Terms;
- l. "**Purchasers**" means the purchasers of the Shares.
- m. "**Regulation S**" means *Regulation S* promulgated under the *1933 Act*;
- n. "**Regulatory Authorities**" means the Commissions;
- o. "**Securities**" means the shares of Common Stock of the Corporation to be issued in this Offering;

- p. **"Securities Commissions"** means collectively the British Columbia Securities Commission and the US Federal Securities Commission;
- q. **"Shares"** or **"Securities"** means the shares of Common Stock of the Corporation;
- r. **"Subscription Agreement"** means the first (cover) page, the Offering Terms on page 2, the General Provisions on pages 11 to 17 and the other schedules and appendixes incorporated by reference; and
- s. **"Terms"** means those portions of the Subscription Agreement headed "Offering Terms" and contained on page 2.
- t. **"US"** means the United States of America;
- u. **"US Person"** means a US person as that term is defined in Regulation S under the 1933 Act;

1.2 In the Subscription Agreement, the following terms have the meanings defined in *Regulation S*: **"U.S. Person"** and **"United States"**.

1.3 In the Subscription Agreement, unless otherwise specified, currencies are indicated with the ISO 4217 currency code so that, as examples, Canadian dollars are indicated with the prefix "CAD" and United States dollars are indicated with the prefix "US \$".

1.4 In the Subscription Agreement, other words and phrases that are capitalized have the meaning assigned in the Subscription Agreement.

2. TERMS OF OFFER.

2.1 The Shares will be sold by private placement pursuant to available exemptions from securities legislation in British Columbia and other applicable jurisdictions outside of United States and Canada. The Shares may be sold in the United States pursuant to the exemption from registration requirements of the 1933 Act provided by Rule 506 of Regulation D of the 1933 Act. The Shares may be sold in outside the United States pursuant to the exemption from registration requirements of the 1933 Act provided by Regulation S of the 1933 Act. By its acceptance of this offer, the Corporation covenants, agrees and confirms that the Purchaser will have the benefit of all of the representations, warranties, covenants, agreements, terms and conditions set forth in this Subscription Agreement.

2.2 The Purchaser acknowledges that:

- a. The Offering will be used to provide additional working capital financing for the Corporation of up to US\$ 1,000,000;
- b. There is no minimum subscription;
- c. This Subscription is irrevocable by the Purchaser and may be rejected by the Corporation in whole or in part; and
- d. There are legal and contractual restrictions on the Purchasers ability to resell or otherwise dispose of the Shares and it is the responsibility of the Purchaser to find out what those restrictions are and to comply with them;

3. SHARES.

A total of 2,000,000 shares of Common Stock of the Corporation (the “**Shares**”) are being sold at a price of US\$0.50 per share to raise an aggregate total of US\$ 1,000,000 in cash and or settlement of debt if all Shares are sold.

4. OTHER PROVISIONS. The Corporation covenants that:

- a. the distribution to the Purchaser is made by the Corporation in a security of its own issue;
- b. the Corporation, at the date of distribution to the Purchaser, will have filed all documents that it is required to file under the continuous disclosure provisions of the Securities Laws, including annual and interim financial information, press releases disclosing material changes, and material change reports;
- c. the Corporation will place the legend required by the 1933 Act and British Columbia adopted National Instrument 45-106 (“**Regulation 45-106**”) where applicable and any other required legends on the certificates representing the Shares; and
- d. the Corporation is a "reporting issuer" under section 12 of the *US Securities Exchange Act of 1934*. The Corporation is not a “reporting issuer” in British Columbia or any other jurisdiction in Canada.

5. PAYMENT AND DELIVERY. The Purchaser hereby unconditionally subscribes for and agrees to purchase the number of Shares subscribed for on the face page of this Subscription Agreement at the subscription price therein. The Purchaser shall deliver to the Corporation concurrently with the execution of this Agreement (i) a completed and originally executed copy of, if applicable, the Certificate of US Purchasers (Schedule A – US Subscribers Only), (ii) the Certification of Canadian Accredited Investors (Schedule B); (iii) the Risk Acknowledgement (Schedule C - Canadian Subscribers only), (iii) a completed and originally executed copy of, if applicable, the Certificate of US Purchasers (Schedule D – Non-US Subscribers Only), and (iv) such information, additional undertakings, questionnaires and other documents as the Corporation may request in connection with the issue and sale of the Shares. The Purchaser shall deliver at **Closing** the total purchase price for the Shares by way of certified cheque or bank draft made payable to the Corporation. The Purchaser acknowledges and agrees that such undertakings, questionnaires and other documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation, warranty or covenant of the Purchaser hereunder in favour of the Corporation. The Purchaser consents to the filing of such undertakings, questionnaires and other documents as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.

6. ACCEPTANCE OR REJECTION OR ALLOTMENT. The Corporation will have the right in its sole discretion to accept or reject this offer at any time at or prior to the Closing. The Purchaser acknowledges and agrees that the acceptance of this offer may be subject to the discretion of any other regulatory body having jurisdiction with respect to the Corporation, and will be conditional on the allotment and the sale of the Shares to the Purchaser being exempt from any prospectus requirements of all applicable securities legislation or, as applicable, from registration requirements of the 1933 Act and any applicable Provincial or State securities laws. The Corporation will be deemed to have accepted this offer upon delivery at the Closing of the certificates representing the Purchaser's Shares. If the certificates representing the Purchaser's Shares have not been delivered to the Purchaser on or before December 31, 2007, then this Agreement shall terminate and all subscription funds advanced to the Corporation hereunder will be paid forthwith to the Purchaser.

7. PURCHASER'S REPRESENTATIONS AND WARRANTIES. The Purchaser acknowledges that the following representations and warranties by it are given with the intention that they will be relied upon by the Corporation and its counsel in determining its eligibility or, if applicable, the eligibility of others on whose behalf it is contracting hereunder to purchase the Shares under applicable securities legislation. The Purchaser represents and warrants to the Corporation and its counsel, that its representation and warranties are true as of the date of this offer and will be true as of the date of this Subscription Agreement and agrees that by accepting delivery of the Shares it shall be representing and warranting as of the Closing Date, that:

- a. British Columbia Accredited Investors. If the Purchaser is a resident of, incorporated under or otherwise subject to the laws of British Columbia the Purchaser represents that the Purchaser is an "accredited investor" as that term is defined in National Instrument 45-106 and is purchasing the Shares as principal, the Purchaser has completed and executed a Canadian Certificate of Accredited Investor attached hereto as Schedule B and hereby confirms the truth and accuracy of all statements made therein by the Purchaser and that all such statements will be true and accurate at the Closing Date; or
- b. Distribution Outside United States. The Purchaser, or any beneficial purchaser for whom it is acting, will comply with the requirements of all applicable securities legislation in United States, will provide such evidence of compliance with all such matters the Corporation may request, and in connection with the purchase of the Shares, the Purchaser hereby:
 - A. certifies to the Corporation that it is not a resident of United States;
 - B. acknowledges to the Corporation that it is aware that:
 - i. no securities commission or similar regulatory authority has reviewed or passed on the merits of the Shares;
 - ii. there is no government or other insurance covering the Shares;
 - iii. there are risks associated with the purchase of the Shares;
 - iv. the Corporation has advised the Purchaser that the Corporation is relying on an exemption from the requirements to provide the Purchaser with a prospectus and to sell securities through a person registered to sell securities under the securities legislation and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the securities legislation, including statutory rights of rescission or damages, will not be available to the Purchaser;

- v. the certificates to be delivered to the Purchaser representing the Shares purchased by the Purchaser will be in compliance with the applicable laws of such jurisdiction and contain a legend stating that the Shares are subject to resale restrictions; and
 - vi. the Purchaser acknowledges that the Shares have not been registered under the 1933 Act or the securities laws of any State of the United States or Province in Canada and the Corporation does not intend to register any of the Shares under the 1933 Act, or the securities laws of any State of the United States or Province in Canada and have no obligation to do so. The Shares may not be offered or sold in the United States unless registered in accordance with United States federal securities laws and all applicable State securities laws or exemptions from such requirements are available. The Purchaser acknowledges that the Corporation will not register any transfer of any of the Shares not made in accordance with Regulation S of the 1933 Act or pursuant to an available exemption from registration; and
- c. US Persons. If the Purchaser is a US Person, then either:
- A. The Purchaser is purchasing the Shares in an “offshore transaction” as defined in, and
pursuant to, Regulation S on the basis that the Purchaser was not offered the Shares in the US and did not execute or deliver this Agreement in the US;
 - or
 - B. The Purchaser is a US Person who is an “accredited investor” as defined in Rule 501 of Regulation D of the 1933 Act.

In either case, the Purchaser has duly completed, executed and delivered to the Corporation Schedule A to this Agreement (Certificate of US Purchaser) and represents, warrants and covenants to the Corporation the accuracy of all matters set out therein;

- d. Non-US Persons. If the Purchaser is not a US Person, then:
- A. the Purchaser is not purchasing the Shares for the account or benefit of a US Person;
 - B. was not offered the Shares in the US; and
 - C. did not execute or deliver this Agreement in the US;
- The Purchaser has duly completed, executed and delivered to the Corporation Schedule D to this Agreement (Certificate of Non-US Purchaser) and represents, warrants and covenants to the Corporation the accuracy of all matters set out therein;

EXHIBIT 10(i)

- e. US Securities Laws. Each Purchaser acknowledges that that the Shares have not been registered under the 1933 Act or the securities laws of any State in the US and that the Corporation does not intend to register any of the Shares under the 1933 Act, or the securities laws of any State in the US and has no obligation to do so. It is contemplated that the Corporation will enter into a registration rights agreement with the Purchasers purchasing Shares under this Subscription Agreement. To the extent that such agreement is executed by the Corporation and the Purchaser, the Corporation will register the underlying shares of Common Stock pursuant to such registration rights agreement. The Shares may not be offered or sold in the US unless registered in accordance with US federal securities laws and all applicable State securities laws or exemptions from such requirements are available. The Purchaser acknowledges that the Corporation will not register any transfer of any of the Shares not made in accordance with Regulation S of the 1933 Act or pursuant to an available exemption from registration.
- f. Authorization and Effectiveness. If the Purchaser is a corporation, the Purchaser is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this offer and to observe and perform the covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, if the Purchaser is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this offer and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, or, if an individual, the Purchaser has attained the age of majority and is legally competent to execute this agreement and to take all actions required pursuant thereto, and, in each case, upon acceptance by the Corporation, this Subscription Agreement constitutes a legal, valid, binding and enforceable contract of the Purchaser or the beneficial purchaser for which it is purchasing, as the case may be;
- g. Absence of Offering Memorandum. The offering and sale of the Shares to the Purchaser were not made through an advertisement of the Shares in printed media of general and regular paid circulation, radio or television, or any other form of advertisement, and the Purchaser has not requested, nor does it need to receive, an offering memorandum or other document prepared by the Corporation describing its business affairs, in order to assist it in making an investment decision in respect of the Shares, and, except for this Subscription Agreement, no other documents have been delivered or otherwise furnished to the Purchaser in connection with such offering and sale;
- h. Purchasing as Principal or Non-Principal. The Purchaser is purchasing the Shares as principal for its own account, not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Shares;
- i. Unincorporated Organization. If the Purchaser is a syndicate, partnership or other form of unincorporated organization, the Purchaser warrants and represents that it was not created solely to permit purchases without a prospectus by groups of individuals or other persons who are not “accredited investors” as that term is defined in Regulation 45-106 (See Schedule B attached hereto);

EXHIBIT 10(i)

- j. Disclosure to Regulatory Authorities. The Purchaser acknowledges that the Corporation may in the future be required by law to disclose the Purchaser's name and other information relating to this Agreement and the Purchaser's subscription hereunder, on a confidential basis to securities regulatory authorities or pursuant to the *Proceeds of Crime (Money Laundering) Act*;
- k. No Undisclosed Information. The Shares are not being purchased by the Purchaser as a result of any material information concerning the Corporation that has not been publicly disclosed and the Purchaser's decision to tender this offer and acquire the Shares has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Corporation or any other person and is based entirely upon currently available public information concerning the Corporation;
- l. Adequate Information. The Purchaser has had access to and has received all such information concerning the Corporation that the Purchaser considers necessary in connection with the Purchaser's investment decision;
- m. No Recommendation or Endorsement. No agency, governmental authority, regulatory body, stock exchange, or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or government authorities made any recommendation or endorsement with respect to the Shares; and
- n. No Representations as to the Shares. No person has made to the Purchaser any written or oral representations:
 - i. that any person will resell or repurchase the Shares;
 - ii. that any person will refund the purchase price for the Shares;
 - iii. as to the future price or value of the Shares; or
 - iv. that the Shares will be listed and posted for trading on any stock exchange or that an application has been made to list the shares of Common Stock of the Corporation on any stock exchange other than the OTC Bulletin Board.

8. CORPORATION'S REPRESENTATIONS AND WARRANTIES. By its execution of this Subscription Agreement, the Corporation hereby represents, warrants and covenants to the subscriber that:

- a. the Corporation has the full corporate power and authority to execute and deliver this Subscription Agreement and to issue the Shares;
- b. this Subscription Agreement constitutes a binding obligation of the Corporation enforceable in accordance with its terms; and
- c. the execution and delivery of, and the performance of the terms of, this Subscription Agreement by the Corporation, including the issue of the Shares, does not and will not constitute a breach of or default under the constating/organizational documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound.

9. HOLD PERIOD AND RESALE CONDITIONS. The Purchaser acknowledges there are substantial restrictions on the transferability of the Shares provided in this Offering; and such Shares will not be, and the Purchaser in the Corporation have no right to require that the Shares be, registered under the Securities Act; there will be no public market for the Shares; and the undersigned will not immediately be able to avail himself or herself of the provisions of Rule 144 adopted by the Securities and Exchange Commission under the Securities Act with respect to resale of the Shares. The Purchaser further understands and acknowledges that the Shares will be subject to certain resale restrictions under applicable securities laws and the Purchaser agrees to comply with such restrictions and further acknowledges that the Shares cannot be resold unless the following conditions are complied with:

- a. the sale is to the Corporation;
- b. the sale is made outside of the US in a transaction meeting the requirements of Rule 904 of Regulation S and in compliance with local laws and regulations;
- c. the sale is made pursuant to the exemption from registration requirements under the 1933 Act provided by Rule 144 thereunder and in accordance with any applicable State securities laws or "blue sky" laws;
- d. the sale is to an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3), or (7) under the 1933 Act and a purchaser's letter containing the same representations, warranties and agreements as those contained in this certification, and satisfactory to the Corporation, is executed by the purchaser and delivered to the Corporation prior to the sale; or
- e. the securities are sold in a transaction that does not require registration under the 1933 Act or any applicable State laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Corporation an opinion of counsel reasonably satisfactory to the Corporation stating that such transaction is exempt from registration under applicable securities laws and that the legend may be removed.

10. LEGEND. The Purchase acknowledges and accepts that the certificates representing the Shares will bear the following legends or a legend with similar wording:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR OTHER APPLICABLE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH THE PROVISIONS OF REGULATIONS S, RULE 901 THROUGH RULE 905, AND PRELIMINARY NOTES UNDER THE 1933 ACT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE 1933 ACT.

And certificates issued to Canadian Purchasers:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [INSERT THE DISTRIBUTION DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

11. NO REVOCATION. The Purchaser agrees that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser.

12. INDEMNITY. The Purchaser agrees to indemnify and hold harmless the Corporation and its directors, officers, employees, agents, advisors and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, law suit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representations or warranty of the Purchaser contained herein or in any document furnished by the Purchaser to the Corporation in connection herewith being untrue in any material respect or any breach or failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Corporation in connection herewith.

13. MODIFICATION. Neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

14. ASSIGNMENT. This Subscription Agreement and any interest herein or any of the rights arising hereunder may be assigned only together with the transfer of the Shares purchased hereunder and in accordance with applicable Securities Laws and any securities laws within or outside of Canada in the jurisdiction in which the Purchaser resides, and provided that the assignment is made in the assignee resides either (i) outside of Canada and the United States or (ii) outside British Columbia and agrees in writing to be bound by the terms and conditions of this Subscription Agreement and (iii) completes and executes and Acknowledgement of Assignment Form attached to the certificates representing the Shares and delivers it to the Corporation.

15. NOTICE. All notices or other communications to be given hereunder shall be delivered by hand or by telecopier, on the date of transmission if sent before 5:00 p.m. and such day or, if not, on the first business day following the date of transmission.

Notice to the Corporation shall be addressed to:

MISTRAL VENTURES, INC. (the "Corporation")
325-3495 Cambie Street
Vancouver, British Columbia V5Z 4R3
Attention: Kent Carasquero
Fax No.: (604) 725-4160

Notices to the Purchaser shall be addressed to the address of the Purchaser set out on the execution page hereof under "Execution of Purchaser".

Either the Corporation or the Purchaser may change its address for service aforesaid by notice in writing to the other party hereto specifying its new address for services hereunder.

16. MISCELLANEOUS. The agreement resulting from acceptance of this Subscription Agreement by the Corporation contains the whole agreement between the Corporation and the Purchaser in respect of the subject matters hereof and except as provided herein there are no warranties, representations, terms, conditions, or collateral agreements, express, implied or statutory, other than as expressly set forth herein and in any amendments hereto. All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser herein will survive the execution and delivery, and acceptance, of this offer and the Closing. Time shall be of the essence of this Subscription Agreement. This Subscription Agreement and the rights and obligations of the parties hereunder will be governed by and construed according to the laws of the State of Delaware. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Subscription Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the city of New York, Borough of Manhattan (the "**New York Courts**"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any term the Subscription Agreement), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, or such New York Courts are improper or inconvenient venue for such proceeding. This Subscription Agreement will enure to the benefit of and be binding upon the parties hereto, and their heirs, executors, administrators, successors and permitted assigns. This Subscription Agreements may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document. The Purchaser acknowledges and agrees that all costs incurred by the Purchaser (including any fees and disbursements of any special counsel retained by the Purchaser) relating to the sale of the Shares to the Purchaser shall be borne by the Purchaser. The Purchaser, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated, or revoked by the Purchaser, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder. The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.

SCHEDULE “A”
CERTIFICATION OF US PURCHASERS

Capitalized terms not specifically defined in this Certification have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached. In the event of a conflict between the terms of this Certification and such Subscription Agreement, the terms of this Certification shall prevail.

In addition to the covenants, representations and warranties contained in the Subscription Agreement to which this Schedule A is attached, the undersigned (the “Purchaser”) covenants, represents and warrants to the Corporation that:

1. The Purchaser is (i) a US Person and (ii) authorized to consummate the purchase of the Shares.
2. The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares and it is able to bear the economic risk of loss of its entire investment.
3. The Corporation has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and it has had access to such information concerning the Corporation as it has considered necessary or appropriate in connection with its investment decision to acquire the Shares, including access to the Corporation’s public filings available on the Internet at www.sec.gov and that any answers to questions and any requests for information have been complied with the Purchaser’s satisfaction.
4. The Purchaser is acquiring the Shares for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Shares in violation of the United States securities laws.
5. The address of the Purchaser set out on Page 1 of the Subscription Agreement is the true and correct address of the Purchaser and can be relied on by the Corporation and the Agent for purposes of State blue sky laws.
6. The Purchaser understands (i) the Shares have not been and will not be registered under the 1933 Act, or the securities laws of any State in the US; (ii) the sale contemplated hereby is being made in reliance on an exemption from such registration requirements; (iii) subject to certain exceptions provided under the 1933 Act, the Shares may not be transferred or exercised in the US or by or on behalf of a US Person unless such Securities, as applicable, are registered under the 1933 Act and applicable State securities laws or unless an exemption from such registration requirements is available.
7. The Purchaser satisfies one or more of the categories indicated below **(please handwritten your initials on the appropriate line)**:
 - a. _____ the Purchaser is purchasing the Shares in an “offshore transaction” as defined in, and pursuant to, Regulation S on the basis was not offered the Shares in the US and did not execute or deliver the Subscription Agreement in the US; or

b. _____ the Purchaser is an “accredited investor” as defined in Rule 501 of Regulation D of the 1933 Act by virtue of meeting one of the following criteria (**please** **handwrite your initials on the appropriate line**):

- i. _____ The Purchaser is a natural person whose total personal net worth, either individually or jointly with such person’s spouse, at the time of purchase, exceeds US \$ 1,000,000; or
- ii. _____ The Purchaser is a natural person who had individual income in excess of US \$ 200,000, or joint income with the person’s spouse in excess of US \$ 300,000, in each of the two most recent years and reasonably expects to reach the same income level in the current year; or
- iii. _____ An organization described in Section 501(c)(3) of the US Internal Revenue Code, a corporation, a Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of US \$ 5,000,000; or
- iv. _____ A trust that (a) has total assets in excess of US \$ 5,000,000; (b) was not formed for the specific purpose of acquiring the Shares; and (c) is directed in its purchases of the Shares by a person who has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of an investment in the Shares; or
- v. _____ An investment company registered under the *Investment Company Act of 1940* or a business development company as defined in Section 2(a)(48) of that Act; or
- vi. _____ A Small Business Investment Company licensed by the US Small Business Administration under Section 301 (c) or (d) of the *Small Business Investment Act of 1958*; or
- vii. _____ A private business development company as defined in Section 202(a)(22) of the *Investment Advisors Act of 1940*; or
- viii. _____ The Purchaser is a natural person whose total personal net worth, either individually or jointly with such person’s spouse, at the time of purchase, exceeds US \$ 1,000,000; or
- ix. _____ The Purchaser is a natural person who had individual income in excess of US \$ 200,000, or joint income with the person’s spouse in excess of US \$ 300,000, in each of the two most recent years and reasonably expects to reach the same income level in the current year; or
- x. _____ An entity in which all of the equity owners satisfy the requirements of one or more of the foregoing categories.

9. The Purchaser has not purchased the Shares as a result of any form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

10. If the Purchaser decides to offer, sell or otherwise transfer any of the Shares it will not offer, sell or otherwise transfer any of such securities directly or indirectly, unless:
- f. the sale is to the Corporation;
 - g. the sale is made outside of the US in a transaction meeting the requirements of Rule 904 of Regulation S and in compliance with local laws and regulations;
 - h. the sale is made pursuant to the exemption from registration requirements under the 1933 Act provided by Rule 144 thereunder and in accordance with any applicable State securities laws or “blue sky” laws;
 - i. the sale is to an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3), or (7) under the 1933 Act and a purchaser’s letter containing the same representations, warranties and agreements as those contained in this certification, and satisfactory to the Corporation, is executed by the purchaser and delivered to the Corporation prior to the sale; or
 - j. the securities are sold in a transaction that does not require registration under the 1933 Act or any applicable State laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Corporation an opinion of counsel reasonably satisfactory to the Corporation stating that such transaction is exempt from registration under applicable securities laws and that the legend may be removed.
11. The Purchaser acknowledges that the Purchaser has not purchased the Securities as a result of, and will not engage in, any “direct selling effort” (as defined in Regulation S under the 1933 Act) in the US in respect of the Securities which would include any activities undertaken for the purpose of, or that could be reasonably expected to have the effect of, conditioning the market in the US for the resale of the Securities; provided however that the Purchaser may sell or otherwise dispose of any of the Securities pursuant to registration of the Securities under the 1933 Act and any applicable State securities laws or under an exemption from such registration requirements and as otherwise provided herein; and
12. The certificate representing the securities issued hereunder, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as it is no longer required under the applicable requirements of the 1933 Act or applicable State securities laws, will bear on the face of such certificate, the following legend or similar worded legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) OR OTHER APPLICABLE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH THE PROVISIONS OF REGULATIONS S, RULE 901 THROUGH RULE 905, AND PRELIMINARY NOTES UNDER THE 1933 ACT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE 1933 ACT.

EXHIBIT 10(i)

13. The Purchaser understands and agrees that there may be material tax consequences to the Purchaser of an acquisition or disposition of the Shares. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Purchaser under United States, State, local or foreign tax law of the undersigned's acquisition or disposition of such Shares.
14. The Purchaser consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in this Certification and Subscription Agreement.

DATED _____, 2007.

X _____
Signature of individual or Authorized Signatory

Name of Purchaser (**please print**)

Name of authorized signatory (**please print**)

Address of Purchaser (residence if an individual)

Telephone Number

E-Mail Address

SCHEDULE "B"

CANADIAN CERTIFICATE OF ACCREDITED INVESTORS

To: MISTRAL VENTURES, INC.

Re: Subscription for Securities of Corporation

The undersigned Purchaser/ officer of the Purchaser (or in the case of a trust, the trustee or an officer of the trustee of the trust) hereby certifies that:

1. he or she has read the Subscription Agreement and understands that the offering of Shares is being made on a prospectus exempt basis; and
2. the Purchaser is an accredited investor as defined in Regulation 45-106, by virtue of being:

(please handwritten your initials on the appropriate line)

- _____ a. a bank listed in Schedule I or II of the *Bank Act* (Canada) or an authorized foreign bank listed in Schedule III of that Act;
- _____ b. the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- _____ c. a loan corporation or trust corporation registered under the *Loan and Trust Corporations Act* (Ontario) or under the *Trust and Loan Companies Act* (Canada), or under comparable legislation in any other jurisdiction;
- _____ d. a co-operative credit society, credit union central, federation of caisses populaires, credit union or league, or regional caisse populaire, or an association under the *Cooperative Credit Associations Act* (Canada), in each case, located in Canada;
- _____ e. a company licensed to do business as an insurance company in any jurisdiction;
- _____ f. a subsidiary entity of any person or company referred to in paragraph (a), (b), (c), (d) or (e), where the company owns all of the voting shares of the subsidiary entity;
- _____ g. a person or company registered under the *Securities Act* (Ontario) or securities legislation in another jurisdiction as an adviser or dealer, other than a limited market dealer;
- _____ h. the government of Canada or of any jurisdiction, or any crown corporation, instrumentality or agency of a Canadian federal, provincial or territorial government;
- _____ i. any Canadian municipality or any Canadian provincial or territorial capital city;
- _____ j. any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any instrumentality or agency thereof;
- _____ k. a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority;
- _____ l. a registered charity under the *Income Tax Act* (Canada);

EXHIBIT 10(i)

- _____ m. an individual who beneficially owns, or who together with a spouse beneficially own, financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds CAD\$ 1,000,000;¹
- _____ n. an individual whose net income before taxes exceeded CAD\$ 200,000 in each of the two most recent years or whose net income before taxes combined with that of a spouse exceeded CAD\$ 300,000 in each of those years and who, in either case, has a reasonable expectation of exceeding the same net income level in the current year;
- _____ o. an individual who has been granted registration under the Securities Act (Ontario) or securities legislation in another jurisdiction as a representative of a person or company referred to in paragraph (g), whether or not the individual's registration is still in effect;
- _____ p. a Corporation that is acquiring securities of its own issue;
- _____ q. a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least CAD\$ 5,000,000 as reflected in its most recently prepared financial statements;
- _____ r. a person or company that is recognized by the British Columbia Securities Commission as an Accredited Investor;
- _____ s. a mutual fund or non-redeemable investment fund that, in Ontario, distributes its securities only to persons or companies that are Accredited Investors;
- _____ t. a mutual fund or non-redeemable investment fund that, in Canada, distributes its securities under a prospectus for which a receipt has been granted by the Director (as defined in the applicable Securities Act(s)) or, if it has ceased distribution of its Securities, has previously distributed its securities in this manner;
- _____ u. a fully managed account if it is acquiring a security that is not a security of a mutual fund or non-redeemable investment fund;
- _____ v. an account that is fully managed by a trust corporation registered under *the Loan and Trust Corporations Act* (Ontario) or under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in any other jurisdiction;
- _____ w. an entity organized outside of Canada that is analogous to any of the entities referred to in paragraphs (a) through (g) and paragraph (k) in form and function; or²

¹ NI 45-106 defines the term (i) "financial assets" as cash, securities, or any contract of insurance or deposit or evidence thereof that is not a security for the purposes of NI 45-106 (ii) "related liabilities" as liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets, (iii) "managed account" as an investment portfolio account of a client established in writing with a portfolio adviser who makes investment decisions for the account and has full discretion to trade in securities of the account without requiring the client's express consent to a transaction, and (iv) "spouse" as, in relation to an individual, another individual to whom that individual is married, or another individual of the opposite sex or the same sex with whom that individual is living in a conjugal relationship outside marriage. Terms used herein which are defined in National Instrument 14-101 ("NI 14-101") as adopted by the Ontario Securities Commission have the meaning given to them in NI 14-101 and terms used herein which are defined in the Act have the meaning given to them in the Act.

Reference should be made to NI 45-106 itself for its complete text, including other definitions, and to the Companion Policy to the NI 45-106 for matters of interpretation and application.

² If individual Accredited Investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (aa), above, which must be checked.

EXHIBIT 10(i)

- _____ x. a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are Accredited Investors; or

Notes:

The statements made in this Schedule are true.

DATED September 4, 2007.

X /s/ Steve Drayton_____

Signature of individual or Authorized Signatory

Ludwig Holdings Limited

Name of Purchaser (**please print**)

Steve Drayton

Name of authorized signatory (**please print**)

Address of Purchaser (residence if an individual)

Telephone Number

E-Mail Address

SCHEDULE “C”
RISK ACKNOWLEDGEMENT
Form 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. MISTRAL VENTURES, INC. will pay no fee or commission in connection with this investment.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

W A R N I N G

You have 2 business days to cancel your purchase

To do so, send a notice to MISTRAL VENTURES, INC. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to MISTRAL VENTURES, INC. at its business address. Keep a copy of the notice for your records.

MISTRAL VENTURES, INC.
325-3495 Cambie Street
Vancouver, British Columbia V5Z 4R3
Attention: Kent Carasquero
Fax No.: (604) 725-4160
E-mail address: kent@tyeecapital.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority.

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, B.C. V7Y 1L2
Telephone: 604-899-6500
Fax: 604-899-6506
Website: <http://www.bcsc.bc.ca>

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

SCHEDULE "D"
CERTIFICATION OF NON-US PURCHASERS

To: MISTRAL VENTURES, INC.

Re: Subscription for Securities of Corporation

The undersigned Purchaser/ officer of the Purchaser (or in the case of a trust, the trustee or an officer of the trustee of the trust) hereby certifies that:

1. I have read the Subscription Agreement and understand that the offering of Shares is being made on a prospectus exempt basis;
2. the Purchaser is not a "U.S. Person" as defined in Regulation S (as the same may be amended from time to time) promulgated under the Act.
3. the Shares are being purchased for the Purchaser's own account for investment and not with a view to the resale or distribution of the shares within, or to citizens or residents of, the United States of America;
4. The Purchaser is not purchasing the shares for the account or benefit of a citizen or resident of the United States of America or any partnership or corporation organized or incorporated under the laws of any jurisdiction in the United States of America;
5. At the time of execution of this Subscription Agreement, the Purchaser is outside the United States of America;
6. The Purchaser has received or has had access to all information the Purchaser considers necessary or advisable in order to enable the Purchaser to make an informed decision concerning your purchase of the shares; and
7. The Purchaser has such knowledge and experience in business and financial matters that you are capable of evaluating the merits and risks of investing in the shares, and you are able to bear the economic risk of investing in the shares;

The Purchaser further understands and agrees that the Shares may not be offered for sale, sold, or otherwise disposed of within or to United States citizens or residents unless the shares are subsequently registered under the *Act of 1933* or an exemption from registration is available. The certificate representing the shares will contain a restrictive legend with respect to the foregoing. In the event that by reason of your acquisition of the shares you are required to make any filings pursuant to the United States *Securities Exchange Act of 1934*, as amended, the certificate representing the shares will not be issued to you until all applicable filing requirements have been satisfied.

The statements made in this Schedule are true.

DATED September 4, 2007.

X /s/ Steve Drayton _____

Signature of individual or Authorized Signatory

Ludwig Holdings Limited

Name of Purchaser (please print)

Steve Drayton

Name of authorized signatory (please print)

Address of Purchaser (residence if an individual)

Telephone Number

E-Mail Address

**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: November 12, 2007

/s/ John Xinos
John Xinos
Chief Executive Officer

**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: November 12, 2007

/s/ Kent Carasquero
Kent Carasquero
Chief Financial Officer

**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 September 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.

Date: November 12, 2007

/s/ John Xinos

John Xinos

Chief Executive Officer

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.

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 September 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.

Date: November 12, 2007

/s/ Kent Carasquero
Kent Carasquero
Chief Financial Officer

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.