

SOLOMON RESOURCES LTD.

Financial Statements

(Unaudited)

April 30, 2009

SOLOMON RESOURCES LTD.

Unit 3 – 2860 Smith Drive

Armstrong, B.C., CANADA V0E 1B1

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

For further information please contact:

Randall S Rogers, CEO

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SOLOMON RESOURCES LIMITED
CONSOLIDATED BALANCE SHEET
(Unaudited)

	<i>Notes</i>	April 30 2009		July 31 2008
ASSETS				
CURRENT				
Cash and cash equivalents		\$ 155,122	\$	286,151
Tenement Bond		-		283,298
Receivables		326,344		73,344
Prepaid expenses		10,345		27,228
		491,811		670,021
Property and Equipment		40,380		44,190
Investments	3	300,270		1,310,697
Resource Properties	4	2,951,712		3,196,039
		\$ 3,784,173	\$	5,220,947
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Current				
Accounts payable and accrued liabilities		\$ 114,992	\$	317,565
Directors' loans	5	100,000		-
		214,992		317,565
Shareholders' Equity (schedule)				
Share capital	6	25,922,679		25,494,867
Contributed surplus		753,438		733,038
Accumulated other comprehensive income		(163,794)		127,244
Deficit accumulated in the exploration stage		(22,943,142)		(21,451,767)
		3,569,181		4,903,382
		\$ 3,784,173	\$	5,220,947

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

APPROVED ON BEHALF OF THE BOARD:

"Randall S Rogers" (signed)
Director

"Ronald K. Netolitzky" (signed)
Director

SOLOMON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME OR LOSS
(Unaudited)

	Three Months Ended April 30		Nine Months Ended April 30	
	2009	2008	2009	2008
Revenues				
Interest	\$ -	3,844	\$ 928	\$ 39,119
Oil, and gas, net	-	7,000	10,713	13,474
	-	10,844	11,641	52,593
General and Administrative Expenses				
Office and miscellaneous	23,230	33,394	80,467	64,620
Professional and management fees	126,038	109,877	381,592	295,333
Stock based compensation	-	-	20,400	22,800
Amortisation	2,774	-	8,320	-
Rent and administrative services	6,078	14,161	18,051	36,211
Promotion and shareholder costs	11,575	9,358	29,008	133,706
Stock exchange fees	6,125	3,973	15,704	15,208
Transfer agent fees	1,487	264	8,760	2,481
	177,307	171,027	562,301	570,359
LOSS BEFORE OTHER ITEMS	(177,307)	(160,183)	(550,660)	(517,766)
OTHER ITEMS				
Gain / (loss) on sale of investments (net)	(24,396)	-	(88,754)	898,690
Gain on disposal of assets held for sale	-	425,697	-	425,697
Write off of expenditures on resource properties	(1,260,671)	-	(1,280,411)	(143,366)
Recovery of expenditures on resource properties	55,379	-	550,378	114,000
Deemed cost of bonus shares issued in lieu of interest	-	-	(100,000)	-
Gain / (loss) on exchange	(1,618)	72,572	6,748	24,012
Part XII.6 tax on unspent flow through funds	-	-	(28,676)	(53,591)
	(1,231,306)	498,269	(940,715)	1,265,442
NET INCOME (LOSS) FOR THE PERIOD	(1,408,613)	338,086	(1,491,375)	747,676
Reclassification on realization of gain / (loss) on sale of investments	89,103	-	(39,025)	(771,060)
Revaluation of investments to fair value	18,852	214,757	(252,013)	1,648,414
	107,956	214,757	(291,038)	877,354
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ (1,300,657)	552,843	\$ (1,782,413)	\$ 1,625,030
COMPREHENSIVE INCOME (LOSS) PER SHARE	\$ (0.02)	0.01	\$ (0.03)	\$ 0.03
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	62,201,648	54,260,398	57,525,508	54,260,398

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

SOLOMON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER EQUITY
(Unaudited)

	Share Number	Share Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance July 31, 2008	54,260,398	\$ 25,494,867	\$ 733,038	\$ 127,244	\$(21,451,767)	\$ 4,903,382
Issue of shares for interest in resource property	385,000	50,000				50,000
Issue of shares - private placement, January 2009	5,556,250	277,812				277,812
Issue of shares in lieu of interest on directors' loans	2,000,000	100,000				100,000
Reclassification on realization of loss on sale of investments				(39,025)		(39,025)
Revaluation of investments to fair value at end of period				(252,013)		(252,013)
Stock based compensation			20,400			20,400
Net income / (loss) for the period					(1,491,375)	(1,491,375)
Balance April 30, 2009	62,201,648	\$ 25,922,679	\$ 753,438	\$ (163,794)	\$(22,943,142)	\$ 3,569,181

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

SOLOMON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended April 30		Nine Months Ended April 30	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net income / (loss) for the period	\$ (1,408,613)	\$ 338,086	\$ (1,491,375)	\$ 747,675
Items not involving cash				
Amortisation	2,774	-	8,320	-
Stock based compensation	-	-	20,400	22,800
Deemed cost of bonus shares issued in lieu of interest	-	-	100,000	-
Write off of expenditures on resource properties	1,260,671	-	1,280,411	143,366
Unrealised exchange loss / (gain)	(1,620)	(17,686)	(6,748)	(17,686)
Recovery of expenditures previously written off on resource properties	(55,379)	-	(550,378)	(114,000)
(Gain) / loss on sale of investments	24,396	-	88,754	(898,690)
Operating cash flow	(177,771)	320,400	(550,616)	(116,535)
Changes in non-cash working capital				
Accounts payable and accrued liabilities	55,728	(106,020)	(202,573)	(88,006)
Assets held for sale	-	886,000	-	908,000
Provision for rehabilitation of tenements	-	(400,472)	-	(410,416)
Prepaid expenses	8,559	2,980	16,883	72,606
Accounts receivable & GST receivable	(141,374)	(5,426)	(253,000)	1,331
	(77,088)	377,062	(438,690)	483,515
Cash from (used in) operating activities	(254,859)	697,462	(989,306)	366,980
INVESTING ACTIVITIES				
Proceeds on sale of investments (net)	604,739	-	1,060,173	1,291,755
Proceeds on sale of non-core property in Mongolia at cost	-	-	55,250	-
Proceeds on issue of shares	-	-	277,812	-
Proceeds on receipt of loans from directors	-	-	500,000	-
Repayment of loans from directors	(400,000)	-	(400,000)	-
Recovery of sales taxes paid in Mongolia	137,225	-	137,225	-
Recovery of Mineral Exploration Tax Credit (British Columbia)	55,379	-	163,379	-
Recovery of / (increase in) tenement bond	-	(18,016)	283,298	(11,592)
Acquisition of investments in exchange for assets held for sale	-	(947,700)	-	(947,700)
Purchase of equipment	(212)	(26,488)	(4,510)	(29,748)
Cash expenditures on resource properties	(77,031)	(286,403)	(1,214,350)	(2,280,471)
Cash provided by (used in) investing activities	320,100	(1,278,607)	858,277	(1,977,756)
Inflow / (Outflow) of cash and cash equivalents	65,241	(581,145)	(131,030)	(1,610,776)
Cash and cash equivalents:				
- beginning of period	89,881	1,404,449	286,151	2,434,080
- end of period	\$ 155,121	\$ 823,304	\$ 155,121	\$ 823,304
Non cash items				
Investments received for property payments	\$ -	-	\$ -	114,000
Investments received for property previously written off	-	-	\$ 386,999	-
Bonus shares issued on directors' loans	\$ -	-	\$ 100,000	-
Shares issued for interest in resource property	\$ -	-	\$ 50,000	-
Supplemental Information				
Income tax paid	\$ -	\$ -	\$ -	\$ -
Interest paid	\$ -	\$ -	\$ -	\$ -

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

SOLOMON RESOURCES LIMITED

Notes to Financial Statements

April 30, 2009

Unaudited

1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and accordingly do not include all disclosure required for annual financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered for a fair presentation have been included. Operating results for the nine months ended April 30, 2009 are not necessarily indicative of the result that may be expected for the full year ending July 31, 2009.

These statements should be read in conjunction with the July 31, 2008 annual financial statements, including the accounting policies and notes thereto, included in the Annual Report for the year ended July 31, 2008. These financial statements reflect the same significant accounting policies as those described in the notes to the audited financial statements of Solomon Resources Limited for the year ended July 31, 2008.

Adoption of New Accounting Standards at August 1, 2008

(i) Financial Instruments

Effective August 1, 2008, the Company has adopted CICA Handbook Sections 3862 and 3863, which describe the required disclosure and presentation related to the significance of financial instruments on the Company's financial position and performance, the nature and extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks.

(ii) Capital Disclosure

Effective August 1, 2008, the Company has adopted CICA Handbook Section 1535, which establishes standards for disclosing information about a company's capital and how it is managed to enable users of financial statements to evaluate the company's objectives, policies and procedures for managing capital. The adoption of this standard does not impact the consolidated financial statements of the Company.

(iii) Going-concern

Effective August 1, 2008, the Company has adopted CICA Handbook Section 1400, which requires management to make an assessment of a company's ability to continue as a going concern. When the consolidated financial statements are not prepared on a going concern basis, the fact shall be disclosed together with the basis on which the consolidated financial statements are prepared and the reason why the company is not considered a going concern.

SOLOMON RESOURCES LIMITED

Notes to Financial Statements

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(iv) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

2. Nature of Business and Ability to Continue as a Going Concern

The Company was incorporated in 1989 under the Laws of British Columbia. Its principal activity is the exploration for and development of natural resource properties either directly or indirectly through its investments.

The Company’s financial statements have been presented on the basis that it will continue as a going-concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company has an accumulated deficit of \$22,943,142 as at April 30, 2009. These losses and the need for continued funding, discussed below, raise substantial doubt about the Company’s ability to continue as a going-concern.

The Company’s ability to continue as a going concern is dependent upon its continuing liquidity. This is likely to require additional financings in order to complete the exploration and development of the Company’s properties, and to realize its assets and discharge its liabilities in the normal course of business. The Company’s going concern is thus dependent on its ability to raise new capital when necessary.

SOLOMON RESOURCES LIMITED

Notes to Financial Statements

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3. Investments

April 30, 2009		
	Number of Shares	Market Value
Integra Mining Limited.	1,578,276	\$ 287,390
Orezone Gold Corporation	40,250	\$ 12,880
		\$ <u>300,270</u>

July 31, 2008		
	Number of Shares	Market Value
Integra Mining Limited	1,806,745	\$ 420,697
Brett Resources Inc.	1,000,000	\$ 890,000
		\$ <u>1,310,697</u>

In September 2008 the Company received 450,000 shares in Orezone Resources Inc. on the termination of the Company's interest in the Bombore project in Burkina Faso. In February 2009 the Company's shares in Orezone Resources Inc. were exchanged for 36,000 common shares of IAMGOLD Corporation and 56,250 common shares of Orezone Gold Corporation, pursuant to the plan of arrangement approved by the shareholders of Orezone Resources Inc. on February 18, 2009.

Subsequent to February 18, 2009, and prior to April 30, 2009, 36,000 shares in IAMGOLD Corporation and 16,000 shares in Orezone Gold Corporation were sold at prevailing market prices on the TSX Exchange for net proceeds of \$375,011.

During the quarter the Company sold its remaining shares in Brett Resources for net proceeds of \$190,400 and sold 228,469 shares in Integra Mining Limited for net proceeds of \$39,328 (CAD).

Some of the proceeds of share sales were used to pay down a portion of the directors' loans.

The Company relies on being able to liquidate its investments to provide working capital. The value of its investments is subject to the risk of fluctuations in share prices on the TSX-V and the Australian Securities Exchange and, with respect to Integra Mining Ltd., the exchange rate of the Australian dollar. The Company mitigates these risks through judicious liquidation practices.

SOLOMON RESOURCES LIMITED

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4. Investment in and expenditures on resource properties – nine months to April 30, 2009

	Balance	Additional	Shares issued	Write offs /	Balance
	July 31, 2008	spending	for interest in	recoveries	April 30, 2009
			property		
Oil & gas assets	\$ 1	-	-	-	\$ 1
Metla	\$ 1	-	-	-	\$ 1
Mongolia SRM	\$ 3,057,972	362,850	-	(494,975)	\$ 2,925,847
Sleitat	\$ 1	2,867	-	(2,867)	\$ 1
Bowron Basin (Coal)	\$ 138,063	-	-	(138,062)	\$ 1
BC COL	\$ 1	19,739	-	(19,740)	\$ -
Goldcreek (Ontario)	\$ -	767,242	50,000	(817,241)	\$ 1
Bonanza (BC)	\$ -	25,860	-	-	\$ 25,860
Total	\$ 3,196,039	\$ 1,178,558	\$ 50,000	\$ (1,472,885)	\$ 2,951,712

5. Directors' loans

As announced in a news release on December 1, 2008 the Company obtained a short term loan of \$500,000 from two directors of the Company. Following the approval of the TSX Venture Exchange the directors were each issued 1,000,000 common shares in the Company as a bonus for making the loan. The loan is interest free, secured by a pledge of the Company's shares in publicly traded companies, repayable within six months and has been used for general corporate purposes. The loan was necessitated by the unfavourable conditions prevailing at the time in the capital markets. \$400,000 was repaid in the quarter ended April 30, 2009.

6. Capital Stock

- (a) Authorized
Unlimited Common shares without par value
- (b) Issued

	Number of shares	Amount
At July 31, 2008	54,260,398	\$ 25,494,867
At April 30, 2009	62,201,648	\$ 25,922,679

In the year ended July 31, 2007 the Company completed two separate flow through financings for gross proceeds of \$1,453,273 and \$700,000 respectively. By December 21, 2008 all of the flow through financing had been spent on qualifying expenditures. On October 17, 2008 the Company issued 385,000 common shares, with a deemed value of \$50,000, to Mengold Resources Ltd in terms of a Letter of Intent to form a joint venture on a resource property at Goldcreek, Ontario.

SOLOMON RESOURCES LIMITED

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On January 8, 2009 the Company issued 5,556,250 common shares pursuant to a private placement that raised \$277,812. On January 23, 2009 the Company issued 2,000,000 common shares, with a deemed value of \$100,000, to two directors (1,000,000 shares each) as bonus shares for the provision of a \$500,000 short term loan to the Company (see note 5).

(c) Stock Options

As at April 30, 2009, the following options were outstanding:

Expiry Date	Exercise Price	Number of Shares
March 3, 2010	\$ 0.36	100,000
June 5, 2010	\$ 0.40	50,000
June 27, 2010	\$ 0.35	250,000
November 18, 2010	\$ 0.31	50,000
January 13, 2011	\$ 0.36	800,000
April 20, 2011	\$ 0.36	300,000
April 5, 2012	\$ 0.36	640,000
January 9, 2013	\$ 0.36	200,000
October 1, 2013	\$ 0.25	1,020,000
		3,410,000

(d) Share purchase warrants

As at April 30, 2009, the following warrants were outstanding. Under certain conditions the exercise prices may change.

Expiry Date	Exercise Price	Number of Warrants
July 5, 2009	\$ 0.50	3,363,016
January 8, 2010	\$ 0.10	5,556,250
		8,919,266