

SOLOMON RESOURCES LTD.

Financial Statements (unaudited)

April 30, 2007

SOLOMON RESOURCES LTD.

Suite 900 - 475 Howe Street

Vancouver, B.C., CANADA V6C 2B3

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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:

Lawrence Nagy, CEO

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SOLOMON RESOURCES LIMITED
Consolidated Balance Sheets
Expressed in Canadian Dollars
Unaudited

| | April 30 | | July 31 |
|---|---------------------|----|---------------------|
| | 2007 | | 2006 |
| Assets | | | |
| Current | | | |
| Cash | \$ 2,064,121 | \$ | 302,857 |
| Accounts receivable | 39,450 | | 31,648 |
| Prepaid expenses | 17,345 | | 17,788 |
| | 2,120,916 | | 352,293 |
| Property and Equipment | 1 | | 1 |
| Investments (note 3) | 825,529 | | 869,695 |
| Tenement Bond | 270,969 | | 412,430 |
| Investment in and Expenditures on Resource Properties (note 4) | 2,611,236 | | 4,058,540 |
| | \$ 5,828,651 | \$ | 5,692,959 |
| Liabilities | | | |
| Current | | | |
| Accounts payable and accrued liabilities | 76,896 | | 32,304 |
| Provisions for Rehabilitation of Tenements | 249,498 | | 392,336 |
| | \$ 326,394 | | 424,640 |
| Shareholders Equity | | | |
| Capital Stock (note 5) | 25,057,385 | | 23,043,332 |
| Contributed Surplus | 671,850 | | 530,650 |
| Deficit | (20,226,978) | | (18,305,663) |
| | 5,502,257 | | 5,268,319 |
| | \$ 5,828,651 | \$ | 5,692,959 |

Approved on behalf of the Board:

"Lawrence J. Nagy" Director
 Lawrence J. Nagy

"Ronald K. Netolitzky" Director
 Ronald K. Netolitzky

SOLOMON RESOURCES LIMITED
Consolidated Statements of Operation and Deficit
Expressed in Canadian Dollars
Unaudited

| | Three months ended | | Nine months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | April 30 | | April 30 | |
| | 2007 | 2006 | 2007 | 2006 |
| Revenues | | | | |
| Interest | \$ 12,303 | \$ 20,065 | \$ 24,131 | \$ 53,850 |
| Gas royalty | 8,030 | 3,207 | 12,615 | 9,550 |
| | <u>20,333</u> | <u>23,272</u> | <u>36,746</u> | <u>63,400</u> |
| Expenses | | | | |
| Office and miscellaneous | 25,157 | 17,270 | 80,901 | 86,275 |
| Stock based compensation | 129,200 | 70,000 | 129,200 | 338,900 |
| Professional fees | 96,392 | 97,988 | 285,398 | 287,773 |
| Rent and administrative services | 8,000 | 7,500 | 23,000 | 25,186 |
| Travel, promotion and shareholders' information | 10,153 | 28,082 | 79,444 | 109,463 |
| Stock exchange fees | 5,400 | 4,100 | 10,208 | 10,060 |
| Transfer agent fees | 2,210 | 1,184 | 7,738 | 7,401 |
| | <u>276,512</u> | <u>226,124</u> | <u>615,889</u> | <u>865,058</u> |
| Loss from Operations | <u>(256,179)</u> | <u>(202,852)</u> | <u>(579,143)</u> | <u>(801,658)</u> |
| Other Items | | | | |
| Gain (Loss) on exchange | 9,406 | 5,670 | 47,093 | (56,461) |
| Gain on sale of investment | 228,156 | - | 450,715 | 170,944 |
| Writedown of investment | - | - | (117,824) | - |
| Recoveries of (write-off) of investment in and expenditures on resource properties | (30,246) | 54,148 | (1,722,156) | 48,018 |
| | <u>207,316</u> | <u>59,818</u> | <u>(1,342,172)</u> | <u>162,501</u> |
| Net Income (Loss) for Period | <u>(48,863)</u> | <u>(143,034)</u> | <u>(1,921,315)</u> | <u>(639,157)</u> |
| Deficit, Beginning of Period | 20,178,115 | 18,075,594 | 18,305,663 | 17,579,471 |
| Deficit, End of Period | <u>\$ 20,226,978</u> | <u>\$ 18,218,628</u> | <u>\$ 20,226,978</u> | <u>\$ 18,218,628</u> |
| Income (Loss) Per Share | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | <u>\$ (0.04)</u> | <u>\$ (0.02)</u> |
| Weighted Average Number of Shares Outstanding | 50,897,381 | 43,146,864 | 47,340,398 | 41,788,420 |

SOLOMON RESOURCES LIMITED
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars
Unaudited

| | Three months ended April 30 | | Nine months ended April 30 | |
|--|--------------------------------|------------------|-------------------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 |
| Operating Activities | | | | |
| Net income (loss) | \$ (48,863) | \$ (143,034) | \$ (1,921,315) | \$ (639,157) |
| Items not involving cash | | | | |
| Write-off of investment in and expenditures on resource properties | 30,246 | (54,148) | 1,722,156 | (48,018) |
| Write down of investment | - | - | 117,824 | - |
| Gain on sale of investments | (228,156) | - | (450,715) | (170,944) |
| Stock based compensation | 129,200 | 70,000 | 129,200 | 338,900 |
| Operating Cash Outflow | (117,573) | (127,182) | (402,850) | (519,219) |
| Changes in Non-Cash Working Capital | | | | |
| Accounts payable and accrued liabilities | 5,724 | (32,790) | 44,592 | (92,521) |
| Prepaid expenses | 11,138 | (6,000) | 443 | (6,000) |
| Accounts receivable | (19,755) | (13,584) | (7,802) | (5,724) |
| | (2,893) | (52,374) | 37,233 | (104,245) |
| Cash used in Operating activities | (120,466) | (179,556) | (365,617) | (623,464) |
| Financing Activities | | | | |
| Proceeds from common shares issued (net) | 636,094 | 110,000 | 1,978,053 | 1,010,298 |
| Investing Activities | | | | |
| Proceeds on sale of investments | 479,426 | - | 727,117 | 250,889 |
| Recovery of tenement provision | (5,112) | - | 141,461 | 924,148 |
| Expenditures on resource properties (net) | (307,930) | (224,184) | (719,750) | (1,238,981) |
| Cash provided by Investing Activities | 166,384 | (224,184) | 148,828 | (63,944) |
| Inflow (Outflow) of Cash and Cash equivalents | 682,012 | (293,740) | 1,761,264 | 322,890 |
| Cash and cash equivalents, Beginning of Period | 1,382,109 | 958,330 | 302,857 | 341,700 |
| Cash and cash equivalents, End of Period | \$2,064,121 | \$664,590 | \$2,064,121 | \$664,590 |
| Non Cash Items | | | | |
| Shares used for property option payment | \$36,000 | - | \$36,000 | - |
| Investments received for property option payments | - | \$114,000 | \$338,000 | \$665,632 |
| Supplemental Information | | | | |
| Income tax paid | \$0 | \$0 | \$0 | \$0 |
| Interest paid | \$0 | \$0 | \$0 | \$0 |

SOLOMON RESOURCES LTD.

Notes to Financial Statements

April 30, 2007
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, 2007 are not necessarily indicative of the result that may be expected for the full year ending July 31, 2007.

These statements should be read in conjunction with the July 31, 2006 annual financial statements, including the accounting policies and notes thereto, included in the Annual Report for the year ended July 31, 2006. These financial statements reflect the same significant accounting policies as those described in the notes to the audited financial statements of Solomon Resources Ltd. for the year ended July 31, 2006.

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

The Company was incorporated 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 approximately \$20.2 million as at April 30, 2007. 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 additional financings being obtained in order to complete the exploration and development of the Company's properties, and realize its assets and discharged its liabilities in the normal course of business.

SOLOMON RESOURCES LTD.

Notes to Financial Statements

April 30, 2007
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3. Investments

| | April 30, 2007 | | | July 31, 2006 | | |
|---------------------------------|------------------|--------------|-----------|------------------|--------------|-----------|
| | Number of shares | Market Value | Cost | Number of shares | Market Value | Cost |
| Integra Mining Ltd. | 5,467,485 | \$786,019 | \$592,129 | 5,467,485 | \$877,995 | \$664,408 |
| Brett Resources Inc. | 400,000 | 460,000 | 228,000 | 200,000 | 150,000 | 114,000 |
| Asia Gold Corp. | - | - | - | 50,000 | 130,000 | 50,000 |
| Skeena Resources Ltd. | - | - | - | 512,667 | 148,673 | 35,887 |
| Prospector Cons. Resources Ltd. | 90,000 | 15,300 | 5,400 | 90,000 | 8,100 | 5,400 |
| Maple Leaf Restoration Ltd. | - | - | - | 50,000 | 7,000 | 0 |
| | | \$1,261,319 | \$825,529 | | \$303,703 | \$41,287 |

4. INVESTMENT AND EXPENDITURES ON RESOURCE PROPETIES

| | Kalgoorie Southeast Project | Mongolia Gallant | Mongolia SRM | BC COL | BC Bowron | Ontario EYAP | Other | Total |
|-----------------------------|--------------------------------|---------------------|-----------------|-----------|--------------|-----------------|-----------|-------------|
| Balance July 31, 2006 | \$1,619,075 | \$2,089,178 | \$263,742 | - | \$33,859 | - | \$52,686 | \$4,058,540 |
| Additions | 80,773 | 44,981 | 376,828 | 69,020 | 36,760 | 196,078 | 35,310 | 839,750 |
| Option payments received: | | | | | | | | |
| Cash | - | (84,000) | - | - | - | - | - | (84,000) |
| Shares | - | (224,000) | - | - | - | - | (114,000) | (338,000) |
| Recovery tenement provision | (142,898) | - | - | - | - | - | - | (142,898) |
| Write-offs | - | (1,826,159) | - | - | - | - | 104,003 | (1,722,156) |
| Balance April 30, 2007 | \$1,556,950 | - | \$640,570 | \$69,020 | \$70,619 | \$196,078 | \$77,999 | \$2,611,236 |

5. CAPITAL STOCK

(a) Authorized
Unlimited Common shares without par value

(b) Issued

| | Number of shares | Amount |
|---------------------------------|------------------|------------|
| Balance, July 31, 2006 | 44,160,836 | 23,043,332 |
| Flow through private placements | 4,203,212 | 1,453,275 |
| | 2,333,333 | 700,000 |
| Property payment | 200,000 | 36,000 |
| Share issue costs | - | (175,222) |
| Balance, April 30, 2007 | 50,897,381 | 25,057,385 |

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The Company raised \$1,453,275 in a private placement financing involving the issuance of 3,310,640 'super' flow-through units at a price of \$0.35 per unit and 892,572 (regular) flow-through units at a price of \$0.33 per unit. Each unit consisted of one flow-through common share and one-half of one non-flow-through, transferable common share purchase warrant. Each full warrant is exercisable to purchase one common share of the Company at an exercise price of \$0.50 for a period of two years. The warrants are subject to an accelerated expiry provision whereby the exercise period of the warrants may be reduced, upon notice to holders and at the election of the Company, if the closing price of the shares is equal to or greater than \$0.75 per share for 10 consecutive trading days. If this condition is met and the Company so elects, the exercise period will be reduced to 25 business days from the date notice is provided by the Company to warrant holders.

The Company raised a total of \$700,000 through a non-brokered private placement at a price of \$0.30 per unit. Each unit consisted of one 'flow-through' common share and one-half of one non-flow-through, transferable warrant. Each full warrant is exercisable to purchase one common share for a period of two years at an exercise price of \$0.55 in the first year and \$0.75 in the second year. The warrants are subject to an accelerated expiry wherein the exercise period of the warrants may be reduced, upon notice to holders, if the closing price of the shares is equal to or greater than \$0.75 per share for 10 consecutive trading days. If this condition is met and Solomon so elects, the exercise period will be reduced to 25 business days from the date notice is provided by it to the warrant holders.

At April 30, 2007 the Company had spent approximately \$125,000 of the flow through funds.

(c) Stock Options

As at April 30, 2007, 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 3, 2010 | \$0.25 | 20,000 |
| November 18, 2010 | \$0.31 | 150,000 |
| January 13, 2011 | \$0.36 | 1,020,000 |
| April 20, 2011 | \$0.36 | 350,000 |
| June 7, 2011 | \$0.36 | 200,000 |
| April 5, 2012 | \$0.36 | 760,000 |
| | | 2,900,000 |

During the quarter ended April 30, 2007 the Company granted 760,000 stock options at an exercise price of \$0.36. The fair value of these options was \$0.17 per share based on the Black-Scholes option pricing model and using the following assumptions: risk free rate 4.11%, dividend yield 0%, volatility factor 63.2% and expected life of option 4 years. The resulting stock option compensation expense was \$129,200.

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- (d) Share purchase warrants
As at April 30, 2007, the following warrants were outstanding;

| Expiry date | Price | |
|--------------------|--------|-----------|
| September 22, 2007 | \$0.50 | 963,000 |
| December 29, 2008 | \$0.50 | 2,101,606 |
| February 28, 2009 | \$0.55 | 1,166,666 |

6. SUBSEQUENT EVENT

In June 2007 the Company announced that it proposed to issue up to 3,100,000 units at \$0.35 per unit by private placement for gross proceeds of \$1,085,000.

Each unit will be comprised of one common share and one share purchase warrant exercisable to purchase a further common share for \$0.50 during a period of two years. Subsequent to the expiry of the initial four month hold period, the expiry of the warrants may be accelerated, upon notice to holders and at the election of the Company, if its shares trade at a price equal to or greater than \$0.75 per share for 20 consecutive trading days. If this condition is met and Solomon so elects, the exercise period will be reduced to 25 business days from the date notice is given to the warrant holders.

The financing is subject to regulatory approval and finder's fees will be paid in units to accredited agents on that portion of the funds raised from third parties introduced by the finders.