

SOLOMON RESOURCES LTD.
Financial Statements (unaudited)
April 30, 2008

SOLOMON RESOURCES LTD.

Unit 3 – 2860 Smith Drive

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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:

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SOLOMON RESOURCES LIMITED
CONSOLIDATED BALANCE SHEET
(Unaudited)

	April 30,	July 31,
	2008	2007
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 823,304	\$ 2,434,080
Receivables	46,872	48,202
Prepaid expenses	17,600	90,206
Assets held for sale	-	908,000
	887,776	3,480,488
Property and Equipment	32,301	2,553
Investments (Notes 1 and 3)	2,884,898	875,035
Tenement Bond	276,728	265,136
Resource Properties (Note 4)	3,636,455	1,499,350
	\$ 7,718,158	\$ 6,122,562
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 41,617	\$ 129,623
Part XII.6 tax payable	-	-
Provision for Rehabilitation of Tenements	-	410,416
	41,617	540,039
Shareholders' Equity (schedule)		
Share capital (Note 5)	26,162,381	26,162,381
Contributed surplus	746,738	710,238
Accumulated other comprehensive income	1,323,542	-
Deficit accumulated in the exploration stage	(20,556,120)	(21,290,096)
	7,676,541	5,582,523
	\$ 7,718,158	\$ 6,122,562

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

APPROVED ON BEHALF OF THE BOARD:

"Lawrence J. Nagy" (signed)
Director

"Ronald K. Netolitzky" (signed)
Director

SOLOMON RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended April 30		Nine Months Ended April 30	
	2008	2007	2008	2007
Revenues				
Interest	\$ 3,844	\$ 12,303	\$ 39,119	\$ 24,131
Oil, and gas, net	7,000	8,030	13,474	12,615
	10,844	20,333	52,593	36,746
General and Administrative Expenses				
Office and miscellaneous	33,394	25,157	64,620	80,901
Professional fees	109,877	96,392	295,333	285,398
Stock based compensation	-	129,200	36,500	129,200
Rent and administrative services	14,161	8,000	36,211	23,000
Promotion and shareholder costs	9,358	10,153	133,706	79,444
Stock exchange fees	3,973	5,400	15,208	10,208
Transfer agent fees	264	2,210	2,481	7,738
	171,028	276,512	584,060	615,889
LOSS BEFORE OTHER ITEMS	(160,183)	(256,179)	(531,466)	(579,143)
OTHER ITEMS				
Write down of investment	-	-	-	(117,824)
Gain on sale of investment	-	228,156	898,690	450,715
Gain on disposal of assets held for sale	425,697	-	425,697	-
Resource properties written off	-	(30,246)	(143,366)	(1,722,156)
Recovery of expenditures on resource properties	-	-	114,000	-
Part XII.6 tax on flow through funds	-	-	(53,591)	-
Gain on exchange	72,572	9,406	24,012	47,093
	498,269	207,316	1,265,442	(1,342,172)
NET INCOME (LOSS) FOR THE PERIOD	338,086	(48,863)	733,976	(1,921,315)
Reclassification on realization of gain on sale of investment	-	-	(771,060)	-
Revaluation of investment to fair value	214,757	-	1,648,414	-
	214,757	-	877,354	-
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 552,843	\$ (48,863)	\$ 1,611,330	\$ (1,921,315)
COMPREHENSIVE INCOME (LOSS) PER SHARE	\$ 0.01	\$ (0.00)	\$ 0.03	\$ (0.04)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	54,260,398	50,897,381	54,260,398	47,340,398

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, 2007	54,260,398	\$ 26,162,381	\$ 710,238	\$ -	\$ (21,290,096)	\$ 5,582,523
Adjustment to opening balance				446,188		446,188
change in accounting policy (Note 1)						
Reclassification on realization of gain on sale of investments				(771,060)		(771,060)
Revaluation of investments to fair value at end of period				1,648,414		1,648,414
Stock based compensation			36,500			36,500
Net income for the period					733,976	733,976
Balance April 30, 2008	54,260,398	\$ 26,162,381	\$ 746,738	\$ 1,323,542	\$ (20,556,120)	\$ 7,676,540

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

SOLOMON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	April 30		April 30	
	2008	2007	2008	2007
OPERATING ACTIVITIES				
Net income / (loss) for the period	\$ 338,086	\$ (48,863)	\$ 733,976	\$ (1,921,315)
Items not involving cash				
Write down of investments	-	-	-	117,824
Stock based compensation	-	129,200	36,500	129,200
Unrealised exchange gains	(17,686)	-	(17,686)	-
Write off expenditures on resource properties	-	30,246	143,366	1,722,156
Recovery of expenditures previously written off on resource properties	-	-	(114,000)	-
Gain on sale of investments	-	(228,156)	(898,690)	(450,715)
Operating cash flow	320,399	(117,573)	(116,535)	(402,850)
Changes in non-cash working capital				
Accounts payable and accrued liabilities	(106,020)	5,724	(88,006)	44,592
Assets held for sale	886,000	-	908,000	-
Provision for rehabilitation of tenements	(400,472)	4,708	(410,416)	(142,838)
Prepaid expenses	2,980	11,138	72,606	443
Accounts receivable & GST receivable	(5,426)	(19,755)	1,331	(7,802)
	377,063	1,815	483,515	(105,605)
Cash from (used in) operating activities	697,462	(115,758)	366,980	(508,455)
FINANCING ACTIVITIES				
Proceeds from the issue of common shares (net)	-	636,094	-	1,978,053
INVESTING ACTIVITIES				
Proceeds on sale of investments	-	479,426	1,291,755	727,117
Recovery of / (increase in) tenement bond	(18,016)	(5,112)	(11,592)	141,461
Acquisition of investments in exchange for assets held for sale	(947,700)	-	(947,700)	-
Purchase of equipment (net)	(26,488)	-	(29,748)	-
Net expenditures on resource properties	(286,403)	(312,638)	(2,280,471)	(576,912)
Cash provided by (used in) investing activities	(1,278,607)	161,676	(1,977,756)	291,666
Inflow / (Outflow) of cash and cash equivalents	(581,145)	682,012	(1,610,776)	1,761,264
Cash and cash equivalents:				
- beginning of period	1,404,449	1,382,109	2,434,080	302,857
- end of period	\$ 823,304	\$ 2,064,121	\$ 823,304	\$ 2,064,121
Non cash items				
Investments received for property payments	\$ -	\$ -	\$ 114,000	\$ 338,000
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, 2008

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, 2008 are not necessarily indicative of the result that may be expected for the full year ending July 31, 2008.

These statements should be read in conjunction with the July 31, 2007 annual financial statements, including the accounting policies and notes thereto, included in the Annual Report for the year ended July 31, 2007. 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, 2007.

Adoption of New Accounting Standards at August 1, 2007

i) Financial Instruments- Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to October 1, 2006 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification.

SOLOMON RESOURCES LIMITED

Notes to Financial Statements

April 30, 2008

Unaudited

ii) Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transaction and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of the net earnings to be presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income and its components in a separate financial statement that is displayed with the same prominence as the other financial statements.

Accordingly, the Company now reports a statement of comprehensive income (loss) and includes the account "accumulated other comprehensive income" in the shareholders' equity section of the consolidated balance sheet.

The adoption of Sections 3855 and 1530 impacts how the Company records its investments which are now classified as a financial instrument "available for sale" and thus has to be reported at fair value.

The adjustment to opening balance to recognize this was \$446,188, any further unrealized gains or losses in the nine months ended April 30, 2008 are reported in the current period.

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 \$20,556,120 as at April 30, 2008. 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 LIMITED

Notes to Financial Statements

April 30, 2008

Unaudited

3. Investments

	April 30, 2008	
	Number of Shares	Market Value
Integra Mining Limited	3,806,745	\$ 2,308,898
Brett Resources Inc.	600,000	\$ 576,000
Prospector Cons. Resources Ltd	-	\$ -
		\$ 2,884,898
	July 31, 2007	
	Number of Shares	Market Value
Integra Mining Limited	5,047,485	\$ 916,623
Brett Resources Inc.	400,000	\$ 392,000
Prospector Cons. Resources Ltd	90,000	\$ 12,600
		\$ 1,321,223

Subsequent to April 30, 2008 1,000,000 shares in Integra Mining Limited have been sold at prevailing market prices on the Australian Securities Exchange. When received the proceeds are expected to approximate \$500,000 (Cdn).

4. Investment in and expenditures on resource properties

	Balance July 31, 2007	Additional spending	Write offs	Balance April 30, 2008
Burkina Faso	\$ 1	-	-	\$ 1
Metla	\$ 1	-	-	\$ 1
Mongolia SRM	\$ 735,511	1,254,182	-	\$ 1,989,693
Sleitat	\$ 1	-	-	\$ 1
Bowron Basin (Coal)	\$ 109,639	32	-	\$ 109,671
BC COL	\$ 504,304	1,015,226	-	\$ 1,519,530
EYAP (Ontario)	\$ 135,255	8,111	(143,366)	\$ -
Nook / Rook	\$ 14,638	2,920	-	\$ 17,558
Total	\$ 1,499,350	\$ 2,280,471	(143,366)	\$ 3,636,455

SOLOMON RESOURCES LIMITED

Notes to Financial Statements

April 30, 2008

Unaudited

5. Capital Stock

(a) Authorized
Unlimited Common shares without par value

(b) Issued

	Number of shares	Amount
Balance, July 31, 2007 and April 30, 2008	54,260,398	26,162,381

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. As at April 30, 2008 all of the first flow through financing had been spent on qualifying expenditures.

(c) Stock Options

As at April 30, 2008, 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	50,000
January 13, 2011	\$ 0.36	820,000
April 20, 2011	\$ 0.36	250,000
April 5, 2012	\$ 0.36	760,000
January 9, 2013	\$ 0.36	200,000
		2,500,000

(d) Share purchase warrants

As at April 30, 2008, the following warrants were outstanding. Under certain conditions the exercise prices may change.

Expiry Date	Exercise Price	Number of Warrants
December 29, 2008	\$ 0.50	2,101,606
February 28, 2009	\$ 0.75	1,166,666
July 5, 2009	\$ 0.50	3,363,016
		6,631,288