

SOLOMON RESOURCES LTD.

Financial Statements (unaudited)

January 31, 2006

SOLOMON RESOURCES LTD.

Suite 900 - 475 Howe Street

Vancouver, B.C., CANADA V6C 2B3

Phone: (604) 669-6656 h Fax: (604) 684-9877 h Web Site: www.solomonresources.ca

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, President & CEO

Tel: (604) 669-6656

Fax: (604) 684-9877

SOLOMON RESOURCES LIMITED
Consolidated Balance Sheets
Expressed in Canadian Dollars
Unaudited

	January 31	July 31
	2006	2005
Assets		
Current		
Cash	\$958,330	\$341,700
Accounts receivable	29,994	37,854
Prepaid expenses	15,000	15,000
	1,003,324	394,554
Property and Equipment	1	1
Investments (note 3)	412,974	41,287
Tenement Bond	424,029	1,348,177
Investment in and Expenditures on Resources Properties (notes 4)	3,728,609	4,095,722
	\$5,568,937	\$5,879,741
Liabilities		
Current		
Accounts payable and accrued liabilities	\$53,991	\$113,722
Provision for Rehabilitation of Tenements	418,552	1,342,700
	472,543	1,456,422
Shareholders' Equity		
Capital Stock (note 5)	22,687,338	21,787,040
Contributed Surplus	484,650	215,750
Deficit	(18,075,594)	(17,579,471)
	5,096,394	4,423,319
	\$5,568,937	\$5,879,741

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 Operations and Deficit
Expressed in Canadian Dollars
Unaudited

	Three months ended January 31		Six months ended January 31	
	2006	2005	2006	2005
Revenues				
Interest	\$14,951	\$15,183	\$33,785	\$30,348
Gas royalty	3,298	3,060	6,343	8,242
	18,249	18,243	40,128	38,590
Expenses				
Office and miscellaneous	48,680	20,654	69,005	76,831
Stock based compensation	268,900	24,000	268,900	24,000
Professional fees	111,140	77,892	189,785	122,797
Rent and administrative services	8,913	7,500	17,686	15,000
Travel, promotion and shareholders' information	50,215	13,380	81,381	23,025
Stock exchange fees	4,960	4,695	5,960	4,795
Transfer agent fees	3,709	4,543	6,217	5,650
	496,517	152,654	638,934	272,098
Loss from Operations	(478,268)	(134,411)	(598,806)	(233,508)
Other Items				
Gain on sale of investment	80,834	160,426	170,944	272,906
Loss on exchange	(18,023)	-	(62,131)	-
Write-off of investment in and expenditures on resource properties	(1)	(71,081)	(6,130)	(385,274)
	62,810	89,345	102,683	(112,368)
Net Income (Loss) for Period	(415,458)	(45,066)	(496,123)	(345,876)
Deficit, Beginning of Period	17,660,136	16,871,825	17,579,471	16,571,015
Deficit, End of Period	\$18,075,594	\$16,916,891	\$18,075,594	\$16,916,891
Income (Loss) Per Share	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)
Weighted Average Number of Shares Outstanding	41,696,864	31,871,531	41,109,198	31,871,531

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

	Three months ended January 31		Six months ended January 31	
	2006	2005	2006	2005
Operating Activities				
Net income (loss)	\$ (415,458)	\$ (45,066)	\$ (496,123)	\$ (345,876)
Items not involving cash				
Write-off of investment in and expenditures on resource properties	1	71,081	6,130	385,274
Gain on sale of investments	(80,834)	(160,426)	(170,944)	(272,906)
Stock based compensation	268,900	24,000	268,900	24,000
Operating Cash Outflow	(227,391)	(110,411)	(392,037)	(209,508)
Changes in Non-Cash Working Capital				
Accounts payable and accrued liabilities	(8,073)	(1,185)	(59,731)	(93,881)
Prepaid expenses	-	(2,815)	-	(4,815)
Accounts receivable	879,237	18,601	7,860	13,343
	871,164	14,601	(51,871)	(85,353)
Cash used in Operating activities	643,773	(95,810)	(443,908)	(294,861)
Financing Activities				
Proceeds from common shares issued	274,315	0	900,298	0
Investing Activities				
Proceeds on sale of investments	160,779	168,406	250,889	325,886
Recovery of tenement provision	-	-	924,148	-
Expenditures on resource properties	(655,975)	(168,197)	(1,014,797)	(205,799)
Cash provided by Investing Activities	(495,196)	100,209	160,240	120,087
Inflow (Outflow) of Cash and Cash equivalents	422,892	4,399	616,630	(174,774)
Cash and cash equivalents, Beginning of Period	535,438	134,802	341,700	313,975
Cash and cash equivalents, End of Period	\$958,330	\$139,201	\$958,330	\$139,201
Non Cash Items				
Investments received for property	\$0	\$0	\$451,632	\$0
Supplemental Information				
Income tax paid	\$0	\$0	\$0	\$0
Interest paid	\$0	\$0	\$0	\$0

SOLOMON RESOURCES LTD.

Notes to Financial Statements

January 31, 2006
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 six months ended January 31, 2006 are not necessarily indicative of the result that may be expected for the full year ending July 31, 2006.

These statements should be read in conjunction with the July 31, 2005 annual financial statements, including the accounting policies and notes thereto, included in the Annual Report for the year ended July 31, 2005. 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, 2005.

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 \$18,075,594 as at January 31, 2006. 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

January 31, 2006
unaudited

3. Investments

	January 31, 2006			July 31, 2005		
	Number of	Market Value	Cost	Number of	Market Value	Cost
Integra Mining Ltd.	5,734,152	\$741,485	\$371,687	0	\$0	\$0
Skeena Resources Ltd.	512,667	133,293	35,887	512,667	210,193	35,887
Prospector Cons. Resources Ltd.	90,000	7,200	5,400	90,000	5,400	5,400
Viceroy Exploration Ltd.	0	0	0	29,370	88,110	0
		\$881,978	\$412,974		\$303,703	\$41,287

4. INVESTMENT AND EXPENDITURES ON RESOURCE PROPETIES

	Burkina Faso	Kalgoorlie Southeast Project	Annie	Metla	Mongolia	Sleitat	Other	Total
Balance July 31, 2005	\$1	\$3,174,737	\$1	\$1	\$874,149	\$17,675	\$29,158	\$4,095,722
Additions	0	100,000	6,130	0	859,066	0	49,601	1,014,797
Disposals	0	(1,375,780)	0	0	0	0	0	(1,375,780)
Write-offs	0	0	(6,130)	0	0	0	0	(6,130)
Balance January 31, 2006	\$1	\$1,898,957	\$1	\$1	\$1,733,215	\$17,675	\$78,759	\$3,728,609

5. CAPITAL STOCK

(a) Authorized
Unlimited Common shares without par value

(b) Issued

	Number of shares	Amount
Balance, July 31, 2005	39,237,531	21,787,040
Exercise options	1,000,000	154,000
Exercise warrants	600,000	120,000
Private placement	1,926,000	674,100
Share issue costs	0	(47,802)
Balance January 31, 2006	42,763,531	\$22,687,338

SOLOMON RESOURCES LTD.

Notes to Financial Statements

January 31, 2006
unaudited

(c) Stock Options

As at January 31, 2006, the following options were outstanding:

Expiry Date	Exercise Price	Number of shares
March 30, 2006	\$0.20	250,000
March 3, 2010	\$0.36	1,100,000
June 5, 2010	\$0.395	50,000
June 27, 2010	\$0.35	250,000
November 18, 2010	\$0.31	200,000
January 13, 2011	\$0.36	1,020,000

(d) Share purchase warrants

As at January 31, 2006, the following warrants were outstanding;

Expiry Date	Price	31-Jan-06	31-Jul-05
August 10, 2006	\$0.30	3,000,000	3,000,000
February 10, 2006	\$0.20	300,000	900,000
September 22, 2006	\$0.40	152,100	0
September 22, 2006/07	\$0.35/\$0.50	963,000	0

The 300,000 warrants exercisable at \$0.20 were exercised in February 2006.