

SOLOMON RESOURCES LTD.

Financial Statements (unaudited)

April 30, 2006

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

Tel: (604) 669-6656

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SOLOMON RESOURCES LIMITED
Consolidated Balance Sheets
Expressed in Canadian Dollars
Unaudited

| | April 30 | | July 31 |
|---|---------------------|----|---------------------|
| | 2006 | | 2006 |
| Assets | | | |
| Current | | | |
| Cash | \$ 664,590 | \$ | 341,700 |
| Accounts receivable | 43,578 | | 37,854 |
| Prepaid expenses | 21,000 | | 15,000 |
| | 729,168 | | 394,554 |
| Property and Equipment | 1 | | 1 |
| Investments (note 3) | 626,975 | | 41,287 |
| Tenement Bond | 424,029 | | 1,348,177 |
| Investment in and Expenditures on Resource Properties (note 4) | 3,792,940 | | 4,095,722 |
| | \$ 5,573,113 | \$ | 5,879,741 |
| Liabilities | | | |
| Current | | | |
| Accounts payable and accrued liabilities | 21,201 | | 113,722 |
| Provisions for Rehabilitation of Tenements | 418,552 | | 1,342,700 |
| | \$ 439,753 | | 1,456,422 |
| Shareholders Equity | | | |
| Capital Stock (note 5) | 22,953,588 | | 21,787,040 |
| Contributed Surplus | 398,400 | | 215,750 |
| Deficit | (18,218,628) | | (17,579,471) |
| | 5,133,360 | | 4,423,319 |
| | \$ 5,573,113 | \$ | 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 Operation and Deficit
Expressed in Canadian Dollars
Unaudited

| | Three months ended April 30 | | Nine months ended April 30 | |
|--|--------------------------------|----------------------|-------------------------------|----------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Revenues | | | | |
| Interest | \$ 20,065 | \$ 16,911 | \$ 53,850 | \$ 47,259 |
| Gas royalty | 3,207 | 586 | 9,550 | 8,828 |
| | <u>23,272</u> | <u>17,497</u> | <u>63,400</u> | <u>56,087</u> |
| Expenses | | | | |
| Office and miscellaneous | 17,270 | 17,499 | 86,275 | 94,330 |
| Stock based compensation | 70,000 | 87,500 | 338,900 | 111,500 |
| Professional fees | 97,988 | 76,522 | 287,773 | 199,319 |
| Rent and administrative services | 7,500 | 7,500 | 25,186 | 22,500 |
| Travel, promotion and shareholders' information | 28,082 | 6,024 | 109,463 | 29,049 |
| Stock exchange fees | 4,100 | 10,175 | 10,060 | 14,970 |
| Transfer agent fees | 1,184 | 2,134 | 7,401 | 7,784 |
| | <u>226,124</u> | <u>207,354</u> | <u>865,058</u> | <u>479,452</u> |
| Loss form Operations | <u>(202,882)</u> | <u>(189,857)</u> | <u>(801,658)</u> | <u>(423,365)</u> |
| Other Items | | | | |
| Loss on exchange | 5,670 | - | (56,461) | |
| Gain on sale of investment | - | 48,970 | 170,944 | 321,876 |
| Rehabilitation costs | - | (146,875) | - | (146,875) |
| Recoveries of (Write-off) of investment in and expenditures on resource properties | 54,148 | (19,977) | 48,018 | (405,251) |
| | <u>59,818</u> | <u>(117,882)</u> | <u>162,501</u> | <u>(230,250)</u> |
| Net Income (Loss) for Period | <u>(143,034)</u> | <u>(307,739)</u> | <u>(639,157)</u> | <u>(653,615)</u> |
| Deficit, Beginning of Period | 18,075,594 | 16,916,891 | (17,579,471) | 16,571,015 |
| Deficit, End of Period | <u>\$18,218,628</u> | <u>\$ 17,224,630</u> | <u>\$ 18,218,628</u> | <u>\$ 17,224,630</u> |
| Income (Loss) Per Share | <u>\$ -</u> | <u>\$ (0.01)</u> | <u>\$ (0.02)</u> | <u>\$ (0.02)</u> |
| Weighted Average Number of Shares Outstanding | 43,146,864 | 37,679,198 | 41,788,420 | 33,351,420 |

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

| | Three months ended April 30 | | Nine months ended April 30 | |
|--|--------------------------------|------------------|-------------------------------|------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Operating Activities | | | | |
| Net income (loss) | \$ (143,034) | \$ (307,739) | \$ (639,157) | \$ (653,615) |
| Items not involving cash | | | | |
| Write-off of investment in and expenditures on resource properties | (54,148) | 19,977 | (48,018) | 405,251 |
| Gain on sale of investments | - | (48,970) | (170,944) | (321,876) |
| Stock based compensation | 70,000 | 87,500 | 338,900 | 111,500 |
| Operating Cash Outflow | (127,182) | (249,232) | (519,219) | (458,740) |
| Changes in Non-Cash Working Capital | | | | |
| Accounts payable and accrued liabilities | (32,790) | 64,371 | (92,521) | (29,510) |
| Prepaid expenses | (6,000) | (16,185) | (6,000) | (21,000) |
| Accounts receivable | (13,584) | 30,639 | (5,724) | 43,982 |
| | (52,374) | 78,825 | (104,245) | (6,528) |
| Cash used in Operating activities | (179,556) | (170,407) | (623,464) | (465,268) |
| Financing Activities | | | | |
| Proceeds from common shares issued | 110,000 | 1,085,320 | 1,010,298 | 1,085,320 |
| Investing Activities | | | | |
| Proceeds on sale of investments | - | 48,970 | 250,889 | 374,856 |
| Recovery of tenement provision | - | - | 924,148 | - |
| Expenditures on resource properties (net) | (224,184) | (300,090) | (1,238,981) | (505,889) |
| Cash provided by Investing Activities | (224,184) | (251,120) | (63,944) | (131,033) |
| Inflow (Outflow) of Cash and Cash equivalents | (293,740) | 663,793 | 322,890 | 489,019 |
| Cash and cash equivalents, Beginning of Period | 958,330 | 139,201 | 341,700 | 313,975 |
| Cash and cash equivalents, End of Period | \$664,590 | \$802,994 | \$664,590 | \$802,994 |
| Non Cash Items | | | | |
| Shares used for property option payment | - | \$444,000 | - | \$444,000 |
| Investments received for property option payment | \$114,000 | - | \$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, 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 nine months ended April 30, 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 approximately \$18,249,878 as at April 30, 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

April 30, 2006
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3. Investments

| | April 30, 2006 | | | July 31, 2005 | | |
|----------------------------------|------------------|--------------|---------|------------------|--------------|----------|
| | Number of shares | Market Value | Cost | Number of shares | Market Value | Cost |
| Integra Mining Ltd. | 5,734,152 | 1,121,026 | 371,688 | 0 | \$0 | \$0 |
| Skeena Resources Ltd. | 512,667 | 179,788 | 35,887 | 512,667 | 210,193 | 35,887 |
| Brett Resources Inc. | 200,000 | 138,000 | 114,000 | 0 | 0 | 0 |
| Asia Gold Corp | 100,000 | 265,000 | 100,000 | 0 | 0 | 0 |
| Viceroy Exploration Ltd. | 0 | 0 | 0 | 29,370 | 88,110 | 0 |
| Prosepector Cons. Resources Ltd. | 90,008 | 14,400 | 5,400 | 90,000 | 5,400 | 5,400 |
| | | 1,718,214 | 626,975 | | \$203,703 | \$41,287 |

4. INVESTMENT AND EXPENDITURES ON RESOURCE PROPETIES

| | Kalgoorlie | Mongolia | Annie | Slietat | Other | Total |
|-------------------------|-------------|-------------|----------|-----------|----------|-------------|
| Balance July 31, 2005 | \$3,174,737 | \$874,149 | \$1 | \$17,675 | \$29,160 | \$4,095,722 |
| Additions | 134,482 | 1,071,731 | 12,354 | 0 | 74,313 | 1,292,880 |
| Option payments | (1,375,780) | (160,000) | 0 | (107,900) | 0 | |
| Recoveries (write-offs) | 0 | 0 | (12,354) | 90226 | (29,854) | 48,018 |
| Balance April 30, 2006 | \$1,933,439 | \$1,785,880 | \$1 | \$1 | \$73,619 | \$3,792,940 |

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 |
| Private Placement | 1,926,000 | 674,100 |
| Share issue costs | - | (47,802) |
| Exercise options | 1,250,000 | 204,000 |
| Exercise warrants | 900,000 | 180,000 |
| Adjustment options forfeited | - | 156,250 |
| | 43,313,531 | \$22,953,588 |

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Notes to Financial Statements

April 30, 2006
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(c) Stock Options

As at April 30, 2006, the following options were outstanding:

| Expiry Date | Exercise Price | Number of shares April 30, 2006 |
|-------------------|----------------|------------------------------------|
| March 3, 2010 | \$0.36 | 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 |
| April 24, 2011 | \$0.36 | 350,000 |

(d) Share purchase warrants

As at April 30, 2006, the following warrants were outstanding:

| Expiry Date | Price | April 30, 2006 |
|-------------------------|---------------|----------------|
| September 22, 2006 | \$0.14 | 152,100 |
| September 22, 2006/2007 | \$0.35/\$0.50 | 963,000 |