

SOLEX RESOURCES CORP.
(An Exploration Stage Company)

Unaudited Interim Consolidated Financial Statements
Nine Months Ended March 31, 2007

<u>Index</u>	<u>Page</u>
Notice to Reader	1
Financial Statements	
Balance Sheets	2
Statements of Loss and Deficit	3
Statements of Cash Flows	4
Notes to Financial Statements	5-17

420 – 609 Granville Street
Vancouver, BC V7Y 1G5
Tel: (604) 646 - 7210
Fax: (604) 688 - 8552

Contact: Tony Wood

NOTICE TO READER

These consolidated financial statements have been prepared by management of the Company. We have compiled the interim balance sheet of Solex Resources Corp. as at March 31, 2007 and the interim statements of loss and deficit and cash flows for the nine months then ended. Independent accountants have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Consolidated Balance Sheets

	March 31, 2007	June 30, 2006
	Unaudited	Audited
		(note 2)
ASSETS		
Current		
Cash	\$ 11,005,149	\$ 1,807,413
Short-term investments (note 5)	2,042,740	-
Accounts receivable	149,304	92,700
Prepaid expenses	116,632	52,550
	<u>13,313,825</u>	1,952,663
Long-term investments (note 6)	211,000	211,000
Equipment (note 8)	66,150	80,156
Resource properties (note 7)	4,733,539	1,426,284
	<u>\$ 18,324,514</u>	<u>\$ 3,670,103</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 10)	\$ 701,242	\$ 95,278
	<u>701,242</u>	<u>95,278</u>
SHAREHOLDERS' EQUITY		
Share capital (note 9)	21,044,207	5,731,412
Contributed surplus (note 9(a))	2,815,584	543,732
Deficit	(6,236,519)	(2,700,319)
	<u>17,623,272</u>	<u>3,574,825</u>
	<u>\$ 18,324,514</u>	<u>\$ 3,670,103</u>

Nature and continuance of operations (note 1)
 Commitments (notes 7, 9 and 13)
 Subsequent events (note 6 and 9(d))

APPROVED BY THE DIRECTORS:

"Jonathan Challis", Director

"Robert Boaz", Director

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Unaudited Interim Consolidated Statements of Loss and Deficit
For the periods ended March 31

	3 Months to March 31, 2007	3 Months to March 31, 2006	9 Months to March 31, 2007	9 Months to March 31, 2006
Administrative costs				
Amortization	\$ 6,432	\$ 868	\$ 19,241	\$ 2,606
Bank charges and interest	1,365	-	3,325	-
Consulting fees	108,016	68,150	220,384	148,885
Filing fees and transfer agent	48,951	9,696	84,949	40,117
Foreign exchange	(5,843)	-	(26,304)	3,520
Investor relations	120,418	75,378	320,514	200,763
Management fees	15,000	70,865	105,000	121,680
Office, rent and miscellaneous	53,448	58,522	158,888	142,825
Professional fees	106,901	52,544	149,555	90,374
Stock option compensation	2,007,653	147,623	2,181,967	437,873
Travel and entertainment	62,893	22,260	112,426	96,573
Wages and salaries	103,552	83,312	299,189	174,591
	<u>2,628,786</u>	<u>589,218</u>	<u>3,629,134</u>	<u>1,459,807</u>
Loss before other items				
Other items				
Property investigation costs	-	7,574	-	70,598
Interest income	(52,647)	(2,191)	(92,934)	(5,102)
	<u>2,576,139</u>	<u>594,601</u>	<u>3,536,200</u>	<u>1,525,303</u>
Net loss for period				
Deficit, beginning of period	<u>3,660,380</u>	<u>1,780,368</u>	<u>2,700,319</u>	<u>849,666</u>
Deficit, end of period	\$ <u><u>6,236,519</u></u>	\$ <u><u>2,374,969</u></u>	\$ <u><u>6,236,519</u></u>	\$ <u><u>2,374,969</u></u>
Loss per share	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>\$ 0.08</u>	<u>\$ 0.06</u>
Weighted Average Number of Shares	<u>48,912,809</u>	<u>27,994,566</u>	<u>42,913,032</u>	<u>25,758,167</u>

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Unaudited Interim Consolidated Statements of Cash Flows
For the periods ended March 31

	3 Months to March 31, 2007	3 Months to March 31, 2006	9 Months to March 31, 2007	9 Months to March 31, 2006
				(note 2)
Operating Activities				
Net loss for the year	(2,576,139)	(594,601)	(3,536,200)	(1,525,303)
Add items not involving cash				
Amortization	6,432	868	19,241	2,606
Stock option compensation	2,007,653	147,623	2,181,967	437,873
	<u>(562,054)</u>	<u>(446,110)</u>	<u>(1,334,992)</u>	<u>(1,084,824)</u>
Changes in non-cash working items (operations)				
Accounts receivable	(44,687)	(77,589)	(56,604)	(73,983)
Prepaid expenses	(52,663)	(11,379)	(64,082)	(22,585)
Accounts payable and accrued liabilities	454,485	(44,508)	605,964	(20,293)
	<u>(204,919)</u>	<u>(579,586)</u>	<u>(849,714)</u>	<u>(1,201,685)</u>
Cash used in operating activities				
Financing Activities				
Issue of common shares	12,830,474	1,751,008	15,970,616	2,511,325
Share issuance costs	(726,936)	(37,675)	(726,936)	(80,683)
Obligation to issue shares	(30,000)	-	-	-
	<u>12,073,538</u>	<u>1,713,333</u>	<u>15,243,680</u>	<u>2,430,642</u>
Cash provided by financing activities				
Investing Activities				
Short-term investment	(19,233)	-	(2,042,740)	-
Resource property expenditures	(1,456,995)	(57,669)	(3,148,255)	(205,216)
Equipment	451	(31,844)	(5,235)	(31,844)
	<u>(1,475,777)</u>	<u>(89,513)</u>	<u>(5,196,230)</u>	<u>(237,060)</u>
Cash used in investing activities				
Increase (decrease) in cash	10,392,842	1,044,234	9,197,736	991,897
Cash, beginning of period	612,307	455,937	1,807,413	508,274
	<u>11,005,149</u>	<u>1,500,171</u>	<u>11,005,149</u>	<u>1,500,171</u>
Cash, end of period	\$ <u>11,005,149</u>	\$ <u>1,500,171</u>	\$ <u>11,005,149</u>	\$ <u>1,500,171</u>

Supplemental disclosure with respect to cash flows (note 12)

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

1. NATURE AND CONTINUANCE OF OPERATIONS

Solex Resources Corp. (the "Company") was incorporated as Solex Gold Corp. on July 4, 2003 under the Canada Business Corporation Act and is in the business of acquiring, exploring and developing mineral resource properties. On January 30, 2004, the Company changed its name to Solex Resources Corp. The Company was cleared for trading on the CNQ Exchange on September 16, 2004 and commenced trading on October 26, 2004 under the symbol SOLX. On June 6, 2005, the Company began trading on the TSX Venture Exchange under the symbol SOX. The Company delisted from the CNQ on October 17, 2005.

At March 31, 2007, the Company was in the exploration stage and had interests in resource properties located in southern Peru. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete their development, and future profitable operations or disposition thereof.

The financial statements have been prepared using Canadian generally accepted accounting principles applicable for a going-concern, which assumes the Company will realize its assets and discharge its liabilities in the ordinary course of business. The Company has accumulated losses of \$6,236,519 (2006 - \$2,700,319) since its inception. Its ability to continue as a going-concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

2. COMPARATIVE FIGURES

Certain of the comparative figures are reclassified to conform to the current year's presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Basis of presentation

The consolidated financial statements as at March 31, 2007 include the accounts of the Company and its wholly owned subsidiary, Solex Del Peru Sociedad Anonima Cerrada ("Solex Del Peru"). All intercompany balances and transactions have been eliminated. Solex Del Peru was incorporated in Peru on October 25, 2005.

(b) Long-term investments

Long-term investments are recorded at cost and are written down if assessed by management that there is a permanent decline in value.

(c) Resource properties

The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit-of-production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

(d) Amortization

Equipment is recorded at cost. Amortization is provided using the declining-balance method at the following annual rates:

Furniture and fixtures	20%
Computer equipment	30%
Field equipment	30%
Computer software	100%

Additions during the year are amortized on a pro-rata basis based on the annual amortization amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;

Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities;

Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the average rate of exchange for the year.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the year.

(f) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

(g) Loss per share

Loss per share computations are based on the weighted average number of common shares outstanding during the year. Diluted loss per share has not been presented separately as the outstanding options and warrants are anti-dilutive for each of the years presented. Shares held in escrow at year-end that are held based on a contingency other than the passage of time are not included in the calculation of weighted average number of common shares.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

(i) Stock-based compensation

The Company uses the fair value method of accounting for employee stock options as required under the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, "*Stock-Based Compensation and Other Stock-Based Payments*". Under the fair value based method, compensation cost of a stock option is measured at fair value at the date of grant and is expensed over the vesting period of the stock option with a corresponding increase to contributed surplus. When the stock options are exercised, the proceeds, together with the amount previously recorded in contributed surplus, are recorded in capital stock.

(j) Asset retirement obligation

The Canadian Institute of Chartered Accountants requires companies to recognize an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production basis over the life of the proved reserves. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

4. FINANCIAL INSTRUMENTS

(a) Fair value

The carrying values of cash, restricted cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

(b) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

(c) Credit risk

The Company is exposed to credit risk with respect to its cash and accounts receivable; however, this is minimized as cash is placed with major financial institutions and accounts receivable are owed from the Canadian government.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received by the Company are not denominated in Canadian dollars. The Company's exploration expenditures are incurred predominately in US dollars and management does not utilize derivatives or apply other techniques to manage the foreign currency risk.

5. SHORT-TERM INVESTMENTS

As of March 31, 2007, Short-term investments consist of:

	Amount	Maturity Date
Guaranteed Investment Certificate	\$ 2,000,000	September 12, 2007
Accrued interest	42,740	
	<u>\$ 2,042,740</u>	

6. LONG-TERM INVESTMENTS

	March 31, 2007		June 30, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Frontier Pacific Mining Corporation				
(Market March 31, 2007 \$369,000; June 30, 2006 \$189,000)	450,000	\$211,000	450,000	\$211,000

Subsequent to the period end, the Company received an option payment of 300,000 common shares from Frontier Pacific Mining Corporation. These shares are to be recorded at a deemed value of \$225,000

7. RESOURCE PROPERTIES

(a) Princesa – Pilunani Belt properties, southeastern Peru

The Princesa-Pilunani Belt properties consist of 18 contiguous or closely adjacent claims totalling 15,100 hectares, containing the following:

Princesa-Pilunani Belt Property Claim List		
Pilunani claim	One claim 1,000 hectares	Acquired by agreement (a) i
Princesa claims	Five claims 2,500 hectares	Acquired by staking (a) ii
Carcuta and Asnune claims	Two claims 2,000 hectares	Acquired by agreement(a) iii
Other Princesa – Pilunani belt properties	Ten claims 9,600 hectares	Acquired by staking

(i) Pursuant to an acquisition agreement dated April 26, 2004, the Company purchased a 100% undivided interest in and to an 1,000 hectare mineral property, which was 50% owned by Mr. Sebastian Reidl, Chairman, CEO and Director (resigned on February 01, 2007) of the Company, located in the Puno Mining District, southwestern Peru. As consideration, the Company paid US \$50,000 cash and issued 5,000,000 Series P Special Warrants subsequently converted to 5,000,000 common shares.

(ii) In August 2005, the Company increased its holdings in the Pilunani area by staking the Princesa properties in an area northwest of the main Pilunani body.

(iii) In August 2005, the Company acquired an option to own up to a 100% interest in the Asnune and Carcuta properties adjacent to the original Pilunani property. Both properties are approximately 1,000 hectares; the Asnune property directly adjoins Solex's Pilunani property to the northeast, while the Carcuta property is adjacent to the southwest of the Pilunani property.

In consideration, Solex will pay US \$65,000 over a four-year term and issue 1,000,000 common shares for the Asnune property, and will pay US \$130,000 over a four-year term and issue 2,000,000 common shares for the Carcuta property. Consideration is to be paid as follows:

Asnune and Carcuta Property Payment Schedule

Time	Payment (US \$)	Shares
August 9, 2005	\$ 120,000*	-
August 9, 2006	30,000*	300,000*
August 9, 2007	30,000	300,000
August 9, 2008	15,000	300,000
August 9, 2009	-	2,100,000
Total	\$ 195,000	3,000,000

*Paid

(b) Cullquimayo (previously Vilcabamba) properties, southern Peru

The Cullquimayo properties consist of 13 claims, totalling 8,400 hectares. Of this amount, four claims totalling 3,300 hectares were acquired by staking during the period. Pursuant to August 2005 agreement, three properties totalling 1,600 hectares were acquired under options requiring an initial payment of US \$5,000 per property (paid), payments of US \$10,000 per property in years two and three (year two paid, year three paid subsequent to period end) and US \$50,000 per property in year four.

(c) Picotani properties, southern Peru

The Picotani properties lie to the east of the Princesa-Pilunani belt. During 2006, as a result of preliminary reconnaissance work, two claims totalling 1,800 hectares were acquired through staking.

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

7. RESOURCE PROPERTIES (Continued)

(d) Macusani West , southern Peru

The Macusani West properties lie to the west of the Macusani East properties. It consists of 51 claims, totalling 43,500 hectares.

13 properties totalling 10,300 hectares were acquired by staking during the six months ended December 31, 2006,

In the last fiscal year, 38 claims totalling 33,200 hectares were staked.

(e) Joint ventured Macusani East properties, southern Peru

During and after the year ended June 30, 2005, an exploration program uncovered a number of uranium prospects resulting in 73 properties being staked covering a 49,700 hectare area. The area had previously been explored by the Peruvian Atomic Commission during the period 1959 to 1967.

On March 21, 2005, the Company announced that it had signed a letter of intent with Frontier Pacific Mining Corporation. ("Frontier Pacific") (TSX.V – FRP) whereby Frontier Pacific can earn a 50% interest in certain of the exploration mineral concessions for periodic payments totalling US \$50,000 cash, 1,500,000 shares and US \$4,000,000 in expenditures over a five-year period. Receipt of consideration is as follows:

Joint Venture Earn-in Schedule

Time	Payment (US \$)	Expenditure (US \$)	Earn-in
	200,000 Shares *		
April 26, 2005	and US \$50,000 *	N/A	
April 26, 2006	250,000 Shares *	\$ 400,000 **	
April 26, 2007	300,000 Shares ***	350,000 **	
April 26, 2008	350,000 Shares	500,000 **	
April 26, 2009	400,000 Shares	900,000 **	
April 26, 2010	Nil	1,850,000	
Total	1,500,000 Shares	\$ 4,000,000	50%

* Received ** Expenditure completed *** Received subsequent to the period end.

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

7. RESOURCES PROPERTIES (Continued)

(f) Resource property expenditures for year ended March 31, 2007:

	Pilunani- Princesa Belt	Cullquimayo (formerly Vilcabamba)	Macusani East	Macusani West	Picotani	Totals
Balances, June 30, 2006	\$ 1,070,835	\$ 116,750	\$ -	\$ 135,433	\$ 66,678	\$ 1,389,696
Acquisition Cost	211,057	17,834	21,784	44,017	713	295,405
Deferred Exploration Costs						
Assaying	18,465	9,361	-	2,175	-	30,001
Geology/Engineering	48,884	62,915	3,076	51,045	5,573	171,493
Geophysics	155,446	-	-	-	12,026	167,472
Drilling	584,427	-	-	-	-	584,427
Field Works	586,687	8,087	625	19,418	2,430	617,247
Logistics	206,793	-	-	-	-	206,793
Consulting	501,799	27,730	25,819	44,564	37,906	637,818
Travel & Accommodation	61,969	11,426	1,048	21,032	5,685	101,160
Total Spending	2,375,527	137,353	52,352	182,251	64,333	2,811,816
Prepaid Exploration	-	-	-	-	-	532,027
Balances, March 31, 2007	\$ 3,446,362	\$ 254,103	\$ 52,352	\$ 317,684	\$ 131,011	\$ 4,733,539

Resource property expenditures for year ended March 31, 2006:

	Pilunani	Vilcabamba	Macusani East	Totals
Balances, June 30, 2005	\$ 499,703	\$ 14,809	\$ -	\$ 514,512
Acquisition cost	145,680	-	-	145,680
Deferred Exploration Costs				
Assaying	-	6,307	-	6,307
Geology/Engineering	46,687	28,762	-	75,449
Ground works	1,419	5,872	-	7,291
Consulting	39,527	18,354	6,441	64,322
Travel and accommodation	7,002	4,095	-	11,097
Total Spending	240,315	63,390	6,441	310,146
Cost Recovery	-	-	-	-
Net Costs	240,315	63,390	6,441	310,146
Balances, March 31, 2006	\$ 740,018	\$ 78,199	\$ 6,441	\$ 824,658

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

7. RESOURCES PROPERTIES (Continued)

(g) Realization of assets

The investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

(h) Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

8. EQUIPMENT

	March 31, 2007			June 30, 2006
	Cost	Accumulated Amortization	Net	Net
Furniture and fixtures	\$ 8,077	\$ 3,855	\$ 4,222	\$ 4,968
Computer equipment	13,912	5,706	8,206	8,472
Field equipment	69,594	17,465	52,129	65,820
Computer software	3,215	1,622	1,593	896
	\$ 94,798	\$ 28,648	\$ 66,150	\$ 80,156

9. SHARE CAPITAL

(a) Share structure

Authorized
 Unlimited common shares without par value

Issued

	March 31, 2007		June 30, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	35,035,001	\$ 5,731,412	21,309,834	\$ 2,086,860
Pursuant to private placements [note 9 (a (i), (ii), (iii) (iv)]	13,545,454	12,350,000	4,337,500	1,434,500
Pursuant to exercise of warrants	6,424,544	3,261,517	8,782,667	2,200,542
Share issuance costs	-	(981,595)	-	(94,177)
Shares issued from exercise of options	1,170,000	359,100	655,000	91,900
Shares cancelled	-	-	(50,000)	(6,500)
Shares issued pursuant to property acquisitions	300,000	159,000		
Reclassification of contributed surplus on exercise of options	-	164,773	-	18,287
Balance, end of period	56,474,999	\$ 21,044,207	35,035,001	\$ 5,731,412

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

9. SHARE CAPITAL (Continued)

(a) Share structure (Continued)

Contributed surplus

Contributed surplus from exercise of options	
Balance, June 30, 2006	\$543,732
Stock-based compensation	2,181,967
Share Issuance Cost	254,658
Reclassification of contributed surplus on exercise of options	(164,773)
Balance, March 31, 2007	\$ 2,815,584

(i) On February 27, 2007, the Company raised aggregate gross proceeds of \$10,350,000 and issued a total of 9,000,000 units at \$1.15 per unit. Dundee Securities Corporation and Sprout Securities Inc. acted as agents in respect of the offering. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at \$1.60 for a period of eighteen months from closing. The Company has the right to accelerate the expiry date of the warrants should the common shares of the Company trade at or above a price of \$2.25 per share for twenty consecutive trading days at any time after four months and one day after the closing date.

The agents have been paid a cash commission of 6.5% of the gross proceeds from the sale of the units and have been issued 540,000 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company at \$1.20 for a period of twelve months from closing. A fair market value of \$254,658 for the warrants was recorded as a Share issuance cost.

(ii) On August 22, 2006, the Company completed a private placement issuing 4,545,454 units for a total of \$2,000,000. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.75 per share for 18 months. In the event that the common shares of the Company trade on the TSX Venture Exchange at a price of \$1.00 or higher for 21 consecutive trading days, the placee will be obligated to exercise the warrant within 30 calendar days or the warrant will be cancelled.

On January 22, 2007, following a period where the company's shares traded above \$1.00 for 21 consecutive days, 2,197,927 warrants for gross proceeds of \$1,648,445 were exercised.

(iii) On March 2, 2006, the Company closed a non-brokered private placement for the purchase of 1,000,000 units, at a price of \$0.50 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one-half warrant. Each full warrant entitles the holder to acquire one common share at a price of \$0.75 for a period of 18 months. 60,000 agents' warrants were issued which are exercisable at \$0.75 for a period of 16 months. In the event that the common shares of the Company trade on the TSX Venture Exchange at a price of \$1.00 or higher for 21 consecutive trading days, the placee will be obligated to exercise the warrant within 30 calendar days or the warrant will be cancelled.

On January 22, 2007, following a period where the company's shares traded above \$1.00 for 21 consecutive days 560,000 warrants for gross proceeds of \$420,000 were exercised.

(iv) On December 29, 2005, the Company closed a non-brokered private placement for the purchase of 3,337,500 units at a price of \$0.28 per unit for gross proceeds of \$934,500. Each unit consists of one common share and one-half warrant. Each full warrant entitles the holder to acquire one common share at a price of \$0.40 for a period of 18 months. In the event that the common shares of the Company trade on the TSX Venture Exchange at a price of \$0.55 or higher for 21 consecutive trading days, the placee will be obligated to exercise the warrant within 30 calendar days or the warrant will be cancelled.

On November 28, 2006, following a period where the company's shares traded above \$0.55 for 21 consecutive days 1,376,250 warrants for gross proceeds of \$550,500 were exercised.

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

9. SHARE CAPITAL (Continued)

(a) Share structure (Continued)

Contributed surplus

(v) On April 28, 2005, the Company completed a private placement of 7,660,500 units at a price of \$0.15 per unit for total proceeds of \$1,149,075. Each unit consisted of one common share and one non-transferable warrant entitling the holder to purchase one additional common share of the Company for a period of two years at a price of \$0.25 per share in year one or \$0.35 in year two. A finder's fee of \$47,700, which included 175,000 shares at a deemed price of \$0.15 per share, was paid on a portion of the private placement.

(b) Warrants

The following summarizes the warrants that have been granted, exercised, cancelled or expired during the period ended March 31, 2007 and the year ended June 30, 2006:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2006	4,480,817	\$ 0.37
Granted	7,312,727	1.31
Exercised	(6,424,544)	0.51
Expired	(74,800)	0.75
Balance, March 31, 2007	5,294,200	\$ 1.49

The Company had share purchase warrants outstanding as follows:

Expiry Date	Exercise Price	Number of Shares	
		March 31, 2007	June 30, 2006
September 20, 2006	\$0.25	-	1,720,567
April 28, 2006/2007	\$0.25/\$0.35	254,200	564,000
June 29, 2007	\$0.40	-	1,636,250
August 25, 2007	\$0.75	-	560,000
February 16, 2008	\$0.75	-	-
August 27, 2008	\$1.60	4,500,000	-
February 27, 2008	\$1.20	540,000	-
		5,294,200	4,480,817

(c) Stock options

The following summarizes the options that have been granted, exercised, cancelled or expired during the period ended March 31, 2007 and the year ended June 30, 2006:

	Number of Shares	Exercise Price Per Share
Balance, June 30, 2006	3,055,000	\$ 0.41
Options granted	3,215,000	1.19
Options exercised	(1,170,000)	0.31
Options cancelled	(80,000)	0.40
Balance, March 31, 2007	5,020,000	\$ 0.93

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

9. SHARE CAPITAL (Continued)

(c) Stock options (Continued)

Other than Investor relations personnel, whose options vest in four equal instalments over the first 12 months, stock options vest 100% upon grant.

Stock-based awards are measured and recognized using a fair value based method. During the period, the Company granted options to purchase up to 3,215,000 shares at the average exercise price of \$1.19 per share, with an estimated combined fair value of \$2,181,967 on the grant date as determined using the Black-Scholes option pricing model.

The fair value of each option grant is calculated using the following weighted average assumption:

	2007	2006
Expected life (years)	2.00	1.50-2.00
Interest rate	3.87%-6.00%	4.00%
Volatility	76%-125%	71%-98%
Dividend yield	0.00%	0.00%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

As at March 31, 2007, the following share purchase options were outstanding:

Expiry Date	Exercise Price	Number of Shares	
		March 31, 2007	June 30, 2006
February 15, 2007	\$ 0.13	-	550,000
October 7, 2007	\$ 0.40	1,155,000	1,375,000
November 17, 2007	\$ 0.28	-	100,000
January 30, 2008	\$ 0.49	200,000	300,000
March 27, 2008	\$ 0.68	400,000	500,000
April 26, 2008	\$ 0.50	135,000	230,000
August 11, 2008	\$0.46	185,000	-
September 30, 2008	\$0.46	100,000	-
November 30, 2008	\$0.58	200,000	-
February 9, 2009	\$1.20	150,000	-
February 9, 2009	\$1.27	150,000	-
March 7, 2009	\$1.35	1,845,000	-
March 13, 2009	\$1.35	250,000	-
March 27, 2009	\$1.35	250,000	-
Total options outstanding	\$ 0.93	5,020,000	3,055,000
Total options exercisable	\$ 0.91	4,607,500	2,780,000

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

9. SHARE CAPITAL (Continued)

(d) Escrow shares

A total of 4,550,000 common shares were subject to an escrow agreement signed in 2004. Shares are subject to a time release over a six-year period as follows:

- (i) 10% - October 28, 2004 (released);
- (ii) 15% - 6 months after October 28, 2004 (released);
- (iii) 15% - 12 months after October 28, 2004 (or October 28, 2005) (released);
- (iv) 15% - 18 months after October 28, 2004 (or April 28, 2006) (released);
- (v) 15% - 24 months after October 28, 2004 (or October 28, 2006) (released);
- (vi) 15% - 30 months after October 28, 2004 (or April 28, 2007); and (released subsequent to period end);
- (vii) 15% - 36 months after October 28, 2004 (or October 28, 2007).

At September 30, 2006, the company had released 2,502,500 shares (55%) from escrow. In the meantime, there was an additional 157,500 shares added from an exercise of warrants.

During the second quarter, the company released 735,000 shares. At December 31, 2006, the Company had released a total of 3,237,500 shares from escrow, leaving a balance of 1,470,000 shares still in escrow.

Subsequent to the period end, on April 26, 2007, there were 735,000 escrow shares released, leaving a balance of 735,000 shares held in escrow.

10. RELATED PARTY TRANSACTIONS

The Company has incurred charges from directors and officers of the Company and companies in which a director or an officer acts as a manager of the Company. These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

	March 31, 2007	June 30, 2006
Consulting fees paid to Jonathan Challis, President and Director	\$ 90,000	\$ 120,000
Management fees paid to Sebastian Reidl, CEO and Director (Resigned on February 01, 2007)	87,000	148,680
Office support paid to Jonathan Challis, President and Director	60,000	80,000
Rent paid to Nikora Investments Inc, controlled by Deborah Thiel, Officer	2,400	-
Management fees and rent expenses prepaid to a director for July 2006	-	18,000
	\$ 239,400	\$ 366,680

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

11. CORPORATION INCOME TAXES

The components of future income tax assets are as follows:

	2006	2005
	34.12%	35.62%
Future income tax assets		
Non-capital loss carry-forwards for		
Canadian income tax purposes	\$ 801,082	\$ 302,549
Excess of undepreciated capital cost over		
net book value of equipment	3,210	1,390
Excess of capitalized resource property costs over unused		
cumulative foreign exploration and		
development expenditures	(83,108)	(32,115)
Undeducted share issuance costs	31,788	13,593
	752,972	285,417
Valuation allowance	(752,972)	(285,417)
	\$ -	\$ -

The valuation allowance reflects the Company's estimate that the tax assets, more likely than not, will not be realized.

The Company has available approximate capital losses of \$40,000 and non-capital losses of \$2,348,000 that may be carried forward to apply against future years' income for Canadian income tax purposes. The non-capital losses expire as follows:

Available to	Amount
2014	\$ 278,000
2015	572,000
2026	1,498,000
	\$ 2,348,000

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2006	2005
	34.12%	35.62%
Income tax benefit computed at Canadian statutory rates	\$ 631,443	\$ 193,921
Permanent differences	(179,404)	(10,246)
Temporary differences not recognized in year	59,614	20,029
Unrecognized tax losses	(511,653)	(203,704)
	\$ -	\$ -

SOLEX RESOURCES CORP.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the nine months ended March 31, 2007

12. NON-CASH TRANSACTIONS

Investing and financing activities that do not affect cash flows are excluded from the statements of cash flows.

During the nine month period ended March 31, 2007, the following transaction was excluded:

- (a) 540,000 agents' warrants were granted which are exercisable at \$1.20 into one common share for a period of 12 months expiring in February 2008.
- (b) 300,000 shares of Solex Resources Corp. valued at \$159,000 were issued pursuant to Asnune and Carcuta option agreement.

During 2006, the following transactions were excluded:

- (c) 250,000 shares of Frontier Pacific Mining Corp. valued at \$175,000 were received on the disposition of resource property.
- (d) 60,000 agents' warrants were granted which are exercisable at \$0.75 into one common share for a period of 18 months expiring in August 2007.

During 2005, the following transactions were excluded:

- (e) Special warrants issued in 2004 for \$682,635 cash were converted to common shares.
- (f) Shares were issued for legal services and finder's fees in the amounts of \$10,000 and \$26,250, respectively.
- (g) 200,000 shares of Frontier Pacific Mining Corp. valued at \$36,000 were received on the disposition of resource property.

13. COMMITMENT

The Company is committed to pay monthly office lease of \$5,383 from May 01, 2007 to April 30, 2009, \$5,599 from May 01, 2009 to April 30, 2011 and \$5,814 from May 01, 2011 to April 30, 2013.

14. SUBSEQUENT EVENTS

There are no other subsequent events apart from those disclosed in note 6 and 9(d).