SOLID RESOURCES LTD.

Consolidated Financial Statements

June 30, 2010

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These consolidated financial statements for the period ended June 30, 2010 are unaudited and have not been reviewed by an auditor.

SOLID RESOURCES LTD.

Consolidated Balance Sheet
As at June 30, 2010 and December 31, 2009

	June 30 2010	December 31 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 157,384	$ 484,019
Accounts receivable	60	59,132
Prepaid expenses and deposits	13,803	5,364
	171,247	548,515
Capital Assets (Note 3)	4,103	6,946
Exploration -- mineral properties (Note 4)	8,328,950	8,198,478
	$ 8,504,300	$ 8,753,939
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 620,601	$ 541,675
Deposit on share purchase		50,000
Notes payable (Note 5)	1,665,739	1,665,739
	2,286,340	2,257,414
Shareholders' Equity:		
Share capital (Note 6)	20,714,675	19,883,175
Contributed surplus (Note 7)	2,450,664	2,439,722
Deficit	(16,947,379)	(15,826,372)
	6,217,960	6,496,525
	$ 8,504,300	$ 8,753,939

Basis of presentation (Note 1)
Commitments (Note 9)

See accompanying notes to the consolidated financial statements.

Signed on behalf of the Board:

Signed "Rick Gliege" Director

Signed "Randy Hayward" Director

SOLID RESOURCES LTD.

Consolidated Statement of Operations and Deficit
Six months ended June 30, 2010 and June 30, 2009

	Three months ended		Six months ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Expenses:				
Administrative and general	$ 581,636	$ 80,902	$ 860,682	$ 158,641
Stock-based compensation (Note 6)	-	13,000	10,942	52,750
Amortization	1,422	1,422	2,843	2,843
Interest on note payable (Note 5)	-	42,404	41,689	84,340
Other interest and bank charges	897	566	1,271	3,346
	583,955	138,294	917,427	301,920
Loss before the following items	(583,955)	(138,294)	(917,427)	(301,920)
Other income (expenses):				
Foreign exchange	(28,823)	284	(55,533)	3,711
Other	1,600	3,600	4,000	4,800
Impairment of mining properties	-	-	(75,000)	-
Loss before income taxes	(611,178)	(134,410)	(1,043,960)	(293,409)
Income taxes:				
Current	-	-	77,047	-
Future (reduction)	-	-	-	-
			77,047	-
Net loss	(611,178)	(134,410)	(1,121,007)	(293,409)
Deficit, beginning of period	(16,336,201)	(15,807,122)	(15,826,372)	(15,648,123)
Deficit, end of period	$ (16,947,379)	$ (15,941,532)	$ (16,947,379)	$ (15,941,532)
Loss per share, basic and diluted (Note 8)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	49,106,632	23,693,919	49,106,632	23,984,876

Basis of presentation (Note 1)

See accompanying notes to the consolidated financial statements.

SOLID RESOURCES LTD.

Consolidated Statement of Cash Flows
Six months ended June 30, 2010 and June 30, 2009

	Three months ended		Six months ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Increase (decrease) in cash:				
Operations:				
Net loss	$ (611,178)	$ (134,410)	$ (1,121,007)	$ (293,409)
Add (deduct) items not affecting cash:				
Amortization of capital assets	1,422	1,422	2,843	2,843
Stock-based compensation	-	13,000	10,942	52,750
Future income taxes			-	-
	(609,756)	(119,988)	(1,107,222)	(237,816)
Changes in non-cash working capital				
Decrease (increase) in accounts receivable	-		59,072	27,799
Decrease (increase) in prepaid expenses and deposits	-	(12,474)	(8,439)	(31,847)
Increase (decrease) in accounts payable and accrued liabilities	166,412	(148,833)	78,926	(140,311)
	(443,344)	(281,295)	(977,663)	(382,175)
Financing:				
Issue of share capital	37,500	218,748	773,000	402,686
Deposit share purchase	-		(50,000)	-
Advances on notes payable	-	-	-	-
Share issuance costs	-	-	58,500	6,313
	37,500	218,748	781,500	408,999
Investing:				
Purchase of capital assets	-	-	-	-
Proceeds on disposal of capital assets	-	-	-	-
Exploration -- mineral properties	(169,228)	(28,886)	(130,472)	(31,423)
	(169,228)	(28,886)	(130,472)	(31,423)
Net increase (decrease) in cash	(575,072)	(91,433)	(326,635)	(4,599)
Cash, beginning of period	732,456	118,443	484,019	31,609
Cash, end of period	$ 157,384	$ 27,010	$ 157,384	$ 27,010

See accompanying notes to the consolidated financial statements.

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1. Basis of presentation:

Solid Resources Ltd. (the Company) is incorporated under the laws of the Province of Alberta, Canada. Its shares are listed for trading on the TSX Venture Exchange and on the Frankfurt Stock Exchange. The Company is involved in the exploration and development of mineral resource properties and does not currently have a recurring revenue stream.

These consolidated financial statements have been prepared on a “going concern” basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company’s ability to continue as a going concern is dependent on its ability to continue to raise financing and generate revenue in the future. Management believes the Company will attain these goals.

These consolidated financial statements do not give effect to any adjustments which might be necessary if the “going concern” basis were not appropriate.

2. Significant accounting policies:

(a) Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned.

(b) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of resource properties and assumptions used in determining the fair value of non-cash stock-based compensation. Actual results could differ from these estimates.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks net of bank overdrafts, and highly liquid temporary money market instruments with original maturities of 3 months or less. At June 30, 2010 and June 30, 2009 the Company held only cash on hand and balances with banks.

2. Significant accounting policies (continued):

(d) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded at rates intended to amortize the cost of the assets over their estimated useful lives, on a straight-line basis, as follows:

Equipment	10% - 20%
Computers, furniture and leasehold improvements	10% - 20%

(e) Exploration -- mineral properties

The Company records its interest in resource properties at cost. Acquisition costs and exploration expenditures relating to properties are deferred and will be amortized against future production or written off if a property is sold or abandoned. Projects with established mineral reserves are assessed periodically by management to determine if recovery of the unamortized costs from future operations or sale of the property is probable. Costs relating to a property abandoned are written off when the decision to abandon is made.

(f) Long-lived assets

Long-lived assets consist of capital assets with finite useful lives and mineral properties. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in net loss for the year.

(g) Asset retirement obligations

An asset retirement obligation is recognized at its fair value when those obligations are incurred and a reasonable estimate of its fair value is determinable. Discounted future cash flows are used to measure fair value. When a liability is recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related asset and amortized over the estimated useful life of the related asset. Changes to the liability due to the passage of time are recorded as accretion expense. Changes to the liability arising from revisions to the timing or amount of expected future cash flows are recorded as an increase or decrease to the carrying amounts of the asset retirement obligation and related capitalized asset retirement cost. No obligation has been recorded at this time as the Company has not yet conducted activities that have created retirement obligations.

2. Significant accounting policies (continued):

(h) Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax assets or liabilities. Future income tax assets or liabilities are calculated using tax rates expected to apply in the periods that the temporary differences are expected to be recovered or settled. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs.

(i) Flow-through shares

Income tax deductions related to exploration expenditures financed by proceeds of flow through share issues are renounced to the investor in accordance with Canadian income tax legislation. The Company records these share issues by crediting share capital for the full amount of the cash consideration received. The tax effects of the renounced deductions are recognized at the time of renunciation by an increase in future income tax liabilities and a reduction of shareholders' equity.

(j) Foreign currency translation

Foreign operations are considered to be integrated with those of the Canadian parent company and are translated into Canadian dollars using the temporal method. Under this method monetary balance sheet items are translated at the exchange rate in effect at the period end, non-monetary items are translated at historical exchange rates and revenue and expenses are translated at the rates prevailing at the transaction date. Gains or losses resulting from translation are included in operations in the period in which they arise.

(k) Stock-based compensation plans

The Company has in place equity incentive plans, which are described in Note 7(c).

The Company records all stock-based payments granted on or after May 1, 2003 using the fair value method. Under this method, the compensation cost of options granted to employees, directors and consultants is recorded as an expense over the period the options vest. The offset is credited to contributed surplus. Compensation cost is the estimated fair value of the award at the grant date based on the Black-Scholes option pricing model. Consideration received on the exercise of stock options is credited to share capital and the related contributed surplus is also transferred to share capital.

2. Significant accounting policies (continued):

(l) Earnings or loss per share

Basic earnings or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share is calculated using the treasury stock method. Under this method, the number of common shares used in calculating diluted earnings or loss per share is determined by adding the number of common shares that would be issued under the exercise of warrants and options to the basic weighted average number of shares outstanding, and deducting the number of shares that would be reacquired at the average market price during the period with the proceeds from the assumed exercise of warrants and options. No exercise is assumed in a period in which a net loss is incurred as the assumed exercise of warrants and options would not have a dilutive effect.

(m) Share issue costs

Share issue costs are netted against share proceeds and included in share capital.

(n) Financial instruments

Financial assets and financial liabilities are measured at fair value on initial recognition and recorded on the balance sheet.

Measurement in subsequent period depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities:

- Financial assets and financial liabilities considered held-to-maturity, loans and receivables, and other financial liabilities subsequent to their initial recognition are stated at amortized cost using the effective interest method.
- Available-for-sale financial assets are subsequently measured at fair value, with unrealized gains and losses from changes in fair value recognized in other comprehensive income (loss). Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.
- Financial assets and liabilities held for trading are measured at fair value, with changes in fair value recognized in the statement of operations in the period in which they arise.

2. Significant accounting policies (continued):

The Company has classified its financial instruments as follows:

Cash and cash equivalents	Held-for-trading
Amounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Notes payable	Other liabilities

The carrying amounts of cash and cash equivalents, amounts receivables, accounts payable and accrued liabilities and notes payable approximate their fair values or amortized cost due to the short-term nature and high liquidity of these instruments.

The company is not currently involved in hedging.

3. Change in accounting policies:

Effective January 1, 2009 the Company adopted the following CICA Handbook Sections"

- Section 3064, Goodwill and Intangible Assets regarding recognition and testing for impairment of goodwill and intangible assets; and
- Section 3862 and 3855 amendments regarding financial instrument fair value measurements and embedded pre-payment options.

The adoption of this Section and amendments did not have a material impact on the consolidated financial statements.

4. Capital assets:

Period ended June 30, 2010	Cost	Accumulated amortization	Net book value
Equipment	$ 17,847	$ 17,847	$ -
Computers, furniture and leasehold improvements	67,000	62,897	$ 4,103
	$ 84,847	$ 80,744	$ 4,103

Period ended December 31, 2009	Cost	Accumulated amortization	Net book value
Equipment	$ 17,847	$ 17,847	$ -
Computers, furniture and leasehold improvements	67,000	60,054	$ 6,946
	$ 84,847	$ 77,901	$ 6,946

5. Exploration -- mineral properties:

Period ended June 30, 2010

	Bear Canada	Doade- Presqueira Spain	Sunset West Canada	Total
Balance, Dec 31, 2009	$ 6,381,971	$ 1,741,507	$ 75,000	$ 8,198,478
Geological fees and expenses		189,238	-	189,238
Mining rights and taxes	9,282	6,952	-	16,234
Drilling, sampling, assaying	-	-	-	-
Impairment			(75,000)	
Total for the period	9,282	196,190	(75,000)	130,472
Balance, June 30, 2010	$ 6,391,253	$ 1,937,697	$ -	$ 8,328,950

Year ended December 31, 2009:

	Bear Canada	Doade- Presqueira Spain	Sunset West Canada	Varallo (Piemonte) Italy	Total
Balance, Dec 31, 2008	$ 6,372,583	$ 1,675,324	$ 75,000	$ 736,814	$ 8,859,721
Geological fees and expenses	36	-	-	-	36
Mining rights and taxes	8,256	66,183	-	20,773	95,212
Drilling, sampling, assaying	1,096	-	-	-	1,096
Impairment				(757,587)	(757,587)
Total for the year	9,388	66,183	-	(736,814)	(661,243)
Balance, Dec 31, 2009	$ 6,381,971	$ 1,741,507	$ 75,000	$ -	$ 8,198,478

5. Exploration -- mineral properties (continued):

Bear Property, Northwest Territories, Canada

The Company holds a 49% interest, subject to a 10% carried interest in profits, in the Bear mineral property located in the Northwest Territories. The Company had an option to purchase the remaining 51% of the Bear mineral property until December 31, 2008. Though this option has expired, negotiations to renew are currently underway. This 51% is owned by a syndicate of individuals, partially related to the Company, including an employee and a previous director. The property consists of approximately 3,845 hectares (9,500 acres) of mineral leases and claims. The property is under exploration primarily for Silver, Zinc, Copper, and Gold. Many holes have been drilled, sampled, and assayed to date. An airborne geophysical survey of this property was completed in March, 2005 and in July and August, 2006 a detailed ground follow-up of the anomalies from the “Resolve” Aeromagnetic survey was performed.

During the month of August, 2008 a geological team carried out a MMI geochemical soil sampling program on the M zone, M1 magnetic anomaly, and the M2 magnetic anomaly (The M1 and M2 is in an ultramafic horizon that has been identified at the north end of Kryon Lake). Also detailed kimberlite indicator mineral sampling was done in the area immediately west of a small pond 200 meters north from the north shore of C Lake where previously there were interesting results from a cluster of anomalous diatreme indicator minerals identified in esker material. The results of the summer program will assist in delineating further exploration targets leading to potential drill programs.

Subsequent to the quarter Solid Resources LTD entered into an agreement to sell its 49% interest in Bear Property and eliminate debt related to this property.

Doade-Presqueira, Spain

The Company has 100% interest in this concession which is located in Northwestern Spain and is 4,902 hectares (12,108 acres) in size. This property is under exploration for Lithium, Tantalum, Tin, Rubidium, and Cesium. Two drilling programs consisting of a total of 17 holes drilled, sampled, and assayed have been completed to date. Property investigation costs are bonus fees paid to the geologist that initially identified the project. Such fees became payable once a certain stage of advancement had been reached.

Sunset West, Northwest Territories, Canada

On September 26, 2008 the Company advanced a loan in the principal sum of $75,000 to Bearing Gold Resources Corp. (“Bearing Gold”). In 2009, the Company forgave the loan in exchange for Bearing Gold’s rights, title and interest in its Sunset West Property. Sunset West comprises an 850 hectare mineral claim located approximately 110 kilometers Northeast of Yellowknife, Northwest Territories, Canada and is prospective for Silver, Lead and Zinc.

During the quarter the Company has decided to release its interest in this property.

5. Exploration -- mineral properties (continued):

Measurement uncertainty

The amounts shown as exploration -- mineral properties represent acquisition and/or exploration costs and do not necessarily represent present values or recoverable values. The recoverability of these amounts is dependent upon the confirmation of economically recoverable reserves and profitable production from or sale of the properties.

6. Notes payable:

	June 30, 2010	December 31, 2009
Notes payable	$ 1,665,739	$ 1,665,739
Interest expense included in the Statement of Operations	$ 41,689	$ 169,838
Accrued interest included in accounts payable and accrued liabilities	$ 306,717	$ 365,028

In 2008 the company signed a note payable of $125,000 at 12% per annum. The debt is due from and after the date which is (3) months from April 11, 2008, on demand upon ninety (90) days prior written notice to the Company.

The remaining notes payable are due to two shareholders and an employee of the company and bear interest at the rate of 10% per annum. $60,000 of the debt is due from and after the date which is (6) months from February 11, 2008, on demand upon ninety (90) days prior written notice to the Company. $300,000 of the debt is due from and after the date which is (6) months from August 22, 2007, on demand upon ninety (90) days prior written notice to the Company. The remainder of the debt, $1,180,739 has a due date from and after December 1, 2007, on demand upon ninety (90) days prior written notice to the Company.

$1,555,739 of the notes payable are secured by first security interest in the Corporation's Bear Property mining claims, and $110,000 of the notes payable are secured by a second charge on the same property.

Subsequent to March 31, 2010 the Company signed a letter of intent as approved by the Board of Directors with Golden Lion Resources Inc. (Golden) to sell the Company's 49% interest in the Bear Property for $3,000,000. The purchase price will be paid by an assumption of debt owing by the Company to certain lenders in the amount of $1,944,192 and by the issuance and delivery of common shares of Golden having an aggregate value of $1,055,808. The Company intends to distribute the common shares of Golden to the Company's shareholders in a tax effective manner. The actual number and deemed price of the common shares will be determined at or before the execution of the agreement.

7. Share capital:

(a) Authorized:

Unlimited number of common shares.

(b) Issued:

	Number of shares		Amount
Balance at December 31, 2008	20,384,555	$	18,611,176
Common shares issued during the period:			
For cash under private placements	24,710,000		1,235,500
For cash under flow through share issues	-		-
For services	1,254,960		62,749
Share issuance costs	-		(26,250)
Balance at December 31, 2009	46,349,515		19,883,175
Common shares issued during the period:			
For cash under private placements	8,100,000		810,000
For cash under flow through share issues			
For services			
Warrants exercised during the period	1,050,000		80,000
Share issuance costs			(58,500)
Balance at June 30, 2010	55,499,515		20,714,675

7. Share capital (continued):

(c) Stock options:

The Company has in place equity incentive plans under which a combined total of 1,800,000 options to purchase common shares can be granted to employees, directors, officers, or consultants. Under these plans, the exercise price of each option shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. The option's term and vesting period is to be determined individually by the Board of Directors or, if appointed, by a special committee.

	Period ended June 30, 2010		Year ended December 31, 2009	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Beginning	1,800,000	$ 0.16	1,350,000	$ 0.24
Granted	-	-	1,400,000	0.14
Exercised	-	-	-	-
Cancelled/expired	-	-	(950,000)	0.24
Ending	1,800,000	$ 0.16	1,800,000	$ 0.16

Details of options outstanding at March 31, 2010 under individual option issues are as follows:

Quantity	Expiry date	Weighted average exercise price	Weighted average remaining contractual life
400,000	February 6, 2013	$ 0.24	34.2
150,000	May 6, 2014	$ 0.24	50.2
450,000	August 27, 2014	$ 0.10	52.9
250,000	October 7, 2014	$ 0.10	54.2
550,000	November 24, 2014	$ 0.17	55.8
1,800,000		$ 0.16	47.9

At June 30, 2010, 1,412,500 (December 31, 2009 – 1,162,500) of the outstanding options were exercisable.

7. Share capital (continued):

(d) Stock-based compensation:

The fair value of each stock option grant was calculated using the Black-Scholes Option Pricing Model incorporating the following weighted average assumptions:

	Period ended June 30, 2010	Period ended December 31, 2009
Risk free interest rate	0.25%	0.25%
Expected dividend yield	Nil	Nil
Expected stock price volatility	150%	150%
Expected option life	5 years	5 years
Weighted average grant date fair value per option	$ 0.05-0.17	$ 0.05-0.17

Stock-based compensation reported includes the following:

Period ended June 30, 2010 – no stock options were issued, expired, or exercised.

Year ended December 31, 2009 – On May 6, 2009 the company issued 150,000 stock options to a director of the Company with a strike price of $0.24 and an expiry date of May 6, 2014. On August 27, 2009 the Company issued 450,000 stock options to directors of the Company with a strike price of $0.10 and an expiry date of August 27, 2014. On October 7, 2009 the Company issued 250,000 stock options to a director of the Company with a strike price of $0.10 and an expiry date of October 7, 2014. On November 24, 2009 the Company issued 550,000 stock options to directors of the Company with a strike price of $0.165 per share and an expiry date of November 24, 2014. The company also cancelled 550,000 stock options during the year. All options issued during 2009 vested 25% at date granted, 25% in three months, 25% in six months and 25% in one year.

Measurement uncertainty

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The employee stock options issued by the Company generally are non-transferable and vest over time. Option pricing models require the input of subjective assumptions including expected share price volatility. The fair value estimate can vary materially as a result of changes in the assumptions.

7. Share capital (continued):

(e) Warrants:

Period ended June 30, 2010 – No warrants were granted or expired. 1,050,000 warrants were exercised during the period.

Year ended December 31, 2009 – On May 4, 2009, the Company issued 6,900,000 units comprising of one common share and one warrant entitling the holder to purchase once additional common share at a price of $0.075 until April 16, 2010 and $0.10 from April 17, 2010 until April 16, 2011. On November 5, 2009, the Company issued 17,810,000 units comprising of one common share and one warrant entitling the holder to purchase one additional common share at a price of $0.10 until November 5, 2010 and $0.20 from November 6, 2010 – November 5, 2011.

	Period ended June 30, 2010		Year ended December 31, 2009	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Beginning	24,710,000	$ 0.20	4,079,034	$ 0.20
Granted	8,100,000	0.05	24,710,000	0.15
Exercised	(1,050,000)	0.09	-	-
Cancelled/expired			(4,079,034)	0.20
Ending	31,760,000	$ 0.25	24,710,000	$ 0.15

Assumptions used in the calculation of the fair value of broker warrants issued are consistent with those disclosed in Note 7(d) above.

8. Contributed surplus:

	Period Ended June 30, 2010	Year ended December 31, 2009
Balance, beginning of period	$ 2,439,722	$ 2,316,220
Increase from stock-based compensation - fair value of stock options granted	10,942	123,502
	$ 2,450,664	$ 2,439,722

9. Loss per share:

The computations of basic loss per share have been calculated using the weighted average number of common shares outstanding during the year. The calculation of diluted loss per share for each year presented produced anti-dilutive results.

10. Financial Instruments:

(a) Fair value
The Company's financial instruments included cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and notes payable. It is management's opinion that the fair values of all financial instruments approximate their carrying values.

(b) Foreign currency risk
Denominated in Euros, the Company has cash of 103,880€, accounts receivable of 31,187€ and accounts payable and accrued liabilities of 27,898€. The value of these items may change due to fluctuation in exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. It is management's opinion that foreign currency risk is not significant.

(c) Interest rate risk
The Company's finical instruments are not exposed to interest rate risk as the interest rate on its note payable is fixed.

(d) Credit risk
The Company's financial assets that are exposed to credit risk consist of cash and cash equivalents and accounts receivable.

11. Commitments:

In 2006, the Company entered into an agreement expiring December 2016 to share certain operating costs with a limited partnership. The agreement calls for a portion (maximum 25%

less fees) of the shared costs to be paid by the limited partnership to the Company in cash. The balance of the costs has been included as a long-term note receivable bearing interest at 5%. The note receivable was immediately fully offset by an impairment allowance due to collectability uncertainties. In exchange the agreement calls for annual fees to be paid to the limited partnership calculated as 10% of revenues from January 1, 2007 until expiration of the agreement. The agreement permits the offset of annual fees payable against interest due on the note receivable descried above.

The Company has entered into a rental agreement for office space expiring March 31, 2012. Lease payments over the next for years related to this agreement are as follows:

2010	$38,162
2011	$37,208
2012	$9,437

12. Financial risk exposure and risk management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Company's notes payable are collateralized through first security changes on mining properties as disclosed in Note 6.

The Company's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration program, and limited exposure to credit and market risks. There were no changes to the objectives of the process from the prior year.

The type of risk exposure and the way in which such exposures are managed are as follows:

(a) Credit risk:

Credit risk primarily arises from the Company's cash and cash equivalents, and accounts receivable. The risk exposure is limited to their carrying amounts at the balance sheet date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses.

The company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. No allowance for uncollectible amounts was required at June 30, 2010 except as disclosed in Note 11.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company ensures there is sufficient capital to meet short term business requirements. One of the management's goals is to maintain an optimal level of liquidity through the active management of the assets, liabilities and cash flows.

12. Financial risk exposure and risk management (continued)

The Company does not have cash inflows from operations. To maintain liquidity, the Company relies on proceeds from issuance of shares in private placements and notes payable. The Company's cash equivalents are invested in funds which are available on demand to fund the Company's costs and other financial demands.

(c) Market risk:

The significant market risks to which the Company is exposed are currency, interest rate and commodity price risk.

(i) Currency risk:
The Company has Currency risk relating to funds held in Euros relating to the Solid Mines Espana project. At June 30, 2010 the Company held the following balances in Euros (noted in their Canadian dollar equivalent:

Cash:	$135,407
Accounts Receivable:	$ 40,653
Accounts payable and Accrued Liabilities	$36,365

(ii) Interest rate risk:
The Company's policy is to invest cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

For financial liabilities, the cotes payable bear interest at fixed rates of 10% and 12% and are not subject to short term fluctuations in interest rates.

(d) Commodity risk:

The value of the Company's mineral resource properties depends on the price of copper, gold and other minerals and the outlook for these minerals. During economic downturns, the Company minimizes this risk by acquiring mineral properties at depressed values. In addition, the Company's exposure to the commodity price risk is reduced as none of the properties are in the production stage.

13. Capital Management

The Company's objectives in managing its capital is to ensure the Company's ability to continue as a going concern, to meet its capital expenditures and exploration programs in Canada and the rest of the world and to maintain a flexible capital structure of equity and debt financing to optimize the costs of capital with minimal risks. The Company considers notes payable and the items included in shareholder's equity to be capital.

The Company manages its capital structure with ongoing reviews and will modify the structure in light of economic conditions and operating environments. In adjusting its capital structure , the Company may need to issue new shares or debt instruments, bring in joint ventures partners or make changes to its strategic investment assets.

To manage its capital, the Company prepares annual capital and operational budgets which are updated as necessary to account for changes in the risk factors in the mining industry and economic conditions in the jurisdictions the Company operates.

14. Segment disclosure

Solid Resources Ltd. operates two business segments which have been segmented based on how management analyzes performance and makes decisions. These business segments are differentiated by geographical area; they include Spanish operation and North American plus all other international operations. Geographical information regarding exploration properties is detailed in Note 4. Included within expenses is $193,082 (Period ended June 30, 2009 - $NIL) of administration and general expenses relating to Spanish operations.