

**Condensed Interim Consolidated
Financial Statements**



Three months ended March 31, 2012

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars - unaudited)

	Notes	March 31, 2012	December 31, 2011
ASSETS			
Current assets			
Cash		\$ 75,314	\$ 264,735
Prepays		10,798	4,300
Receivables	4	23,867	23,344
Total current assets		109,979	292,379
Exploration and evaluation assets	5	3,562,430	3,353,605
TOTAL ASSETS		\$ 3,672,409	\$ 3,645,984
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 124,730	\$ 159,395
TOTAL LIABILITIES		124,730	159,395
EQUITY			
Share capital	9	22,934,970	22,631,570
Reserves	10	4,913,765	4,811,711
Subscription advances		--	155,000
Distribution to shareholders	5	(1,055,808)	(1,055,808)
Deficit		(23,245,248)	(23,055,884)
TOTAL EQUITY		3,547,679	3,486,589
TOTAL LIABILITIES AND EQUITY		\$ 3,672,409	\$ 3,645,984

Nature and continuance of operations (Note 1)

Subsequent events (Note 15)

On behalf of the Board:

“Rick Gliege”

Director

“Greg Pendura”

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars - unaudited)

	Notes	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Expenses			
Administrative and general		\$ 89,574	\$ 197,987
Depreciation		-	128
Interest and bank charges		184	332
Share-based payments	10	102,054	109,923
			308,370
Loss before other items		(191,812)	(308,370)
Other items			
Foreign exchange		2,448	5,036
Loss and comprehensive loss for the period		(189,364)	(303,334)
Basic and diluted loss per common share	9	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding		96,834,727	80,162,181

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

	Share capital							
	Number of shares	Amount	Subscription advances	Reserves	Distribution to shareholders	Deficit	Total	
Balance at				\$				
December 31, 2010	79,372,848	\$ 22,017,434	\$ -	3,845,241	\$ -	\$ (21,822,639)	\$ 4,040,036	
Exercise of warrants	2,089,000	194,900	-	-	-	-	194,900	
Cancellation of shares	(500,000)	(50,000)	-	-	-	-	(50,000)	
Comprehensive loss for the period	-	-	-	-	-	(303,334)	(303,334)	
Stock-based payments	-	-	-	109,923	-	-	109,923	
Balance at March 31, 2011	80,961,848	22,162,334	-	3,955,164	-	(22,125,973)	3,991,525	
Private placement	10,000,000	1,000,000	-	-	-	-	1,000,000	
Exercise of warrants	2,950,000	295,000	-	-	-	-	295,000	
Warrant issuance	-	(808,348)	-	808,348	-	-	-	
Share issuance costs	-	(17,416)	-	7,266	-	-	(10,150)	
Share-based payments	-	-	-	40,933	-	-	40,933	
Subscription advances	-	-	155,000	-	-	-	155,000	
Distribution to shareholders	-	-	-	-	(1,055,808)	-	(1,055,808)	
Comprehensive loss for the year	-	-	-	-	-	(929,911)	(929,911)	
Balance at								
December 31, 2011	93,911,848	22,631,570	155,000	4,811,711	(1,055,808)	(23,055,884)	\$ 3,486,589	
Private placement	3,129,200	312,920	(155,000)	-	-	-	157,920	
Share issuance costs	-	(9,520)	-	-	-	-	(9,520)	
Share-based payments	-	-	-	102,054	-	-	102,054	
Comprehensive loss for the period	-	-	-	-	-	(189,364)	(189,364)	
Balance at March 31, 2012	97,041,048	\$ 22,934,970	\$ -	\$ 4,913,765	\$ (1,055,808)	\$ (23,245,248)	\$ 3,547,679	

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars - unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (189,364)	\$ (303,334)
Items not affecting cash:		
Depreciation	-	128
Share-based payments	102,054	109,923
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(523)	9,759
Increase in prepaid expenses	(6,498)	(20,000)
Decrease in accounts payable and accrued liabilities	<u>(34,665)</u>	<u>(33,637)</u>
Net cash used in operating activities	<u>(128,996)</u>	<u>(237,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	<u>(208,825)</u>	<u>(429,970)</u>
Net cash used in investing activities	<u>(208,825)</u>	<u>(429,970)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	157,920	144,900
Share issuance costs	<u>(9,520)</u>	<u>-</u>
Net cash provided by financing activities	<u>148,400</u>	<u>144,900</u>
Change in cash for the period	(189,421)	(522,231)
Cash, beginning of period	<u>264,735</u>	<u>964,378</u>
Cash, end of period	\$ 75,314	\$ 442,147

Supplemental disclosure with respect to cash flows (Note 14)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

1. Nature and continuance of operations

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 where its common shares trade under the symbol "SRW". The registered head office and principal address and records office of the Company are located at 607-233 Robson Street, Vancouver, BC V6B 0E8.

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising of exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The condensed interim consolidated financial statements were authorized for issue on May 30, 2012 by the Board of Directors of the Company.

2. Significant accounting policies and basis of preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Financial Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

(b) Basis of presentation

The financial statements have been prepared using the same accounting policies and methods as those used in the financial statements for the year ended December 31, 2011, except for the impact of the adoption of the accounting standard described below. These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value and are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2011.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

2. Significant accounting policies and basis of preparation (cont'd)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and all of its subsidiaries. Subsidiaries are all entities controlled by the Company. Control exists when the Company has the power to, directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

The consolidated financial statements at March 31, 2012 include, on a consolidated basis, the assets, liabilities, revenues and expenses of the Company, and its wholly-owned subsidiaries.

All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(d) Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the changes in equity which results from transactions and events from sources other than the Company's shareholders. For the periods presented, comprehensive loss was the same as net loss.

(e) Comparative figures

Certain comparative figures have been reclassified to conform with presentation adopted for the current period.

3. New standards, amendments and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of March 31, 2012 and have not been applied in preparing these interim financial statements. None of these are expected to have a material effect on the financial statements of the Company.

Joint ventures

The IASB issued Exposure Draft 9 – Joint Arrangements (“ED-9”) in September 2007. ED-9 proposed to eliminate the Company's choice to proportionately consolidate jointly controlled entities and required such entities to be accounted for using the equity method. During the second quarter of 2009, the IASB commenced re-deliberations of ED-9 and now proposes to establish a principles-based approach to the accounting for joint arrangements which focuses on the nature, extent and financial effects of the activities that an entity carries out through joint arrangements and its contractual rights and obligations to assets and liabilities, respectively, of the joint arrangements. The IASB plans on publishing the final standard during the first half of 2011, with an anticipated effective date of January 1, 2013. The Company is currently evaluating the impact that ED-9 and the final standard are expected to have on its financial statements.

Consolidation

On September 29, 2010, the IASB posted a staff draft of a forthcoming IFRS on consolidation. The staff draft reflects tentative decisions made to date by the IASB with respect to the IASB's project to replace current standards on consolidation, IAS 27 - Consolidated and Separate Financial Statements and SIC-12, with a single standard on consolidation. The IASB plans on publishing the final standard on consolidation during the first half of 2011, with an anticipated effective date of January 1, 2013. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

3. New standards, amendments and interpretations not yet effective (cont'd)

Financial instruments

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”) in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”) in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39, and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at FVTPL, financial guarantees and certain other exceptions. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

4. Receivables

	March 31, 2012	December 31, 2011
Sales and other taxes receivables	\$ 23,867	\$ 23,344

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

5. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and in good standing.

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

	Doade- Presqueira, Spain	Peru Gold & Copper	Total
Balance, December 31, 2010	\$ 1,977,555	\$ 458,995	\$ 2,036,550
Additions:			
Geological fees and expenses	342,910	41,880	384,790
Mining rights and taxes	57,168	-	57,168
Drilling, sampling and assay	875,097	-	875,097
Total additions	1,275,175	41,880	1,317,055
Balance, December 31, 2011	3,252,730	100,875	3,353,605
Additions:			
Geological fees and expenses	60,714	15,240	75,954
Mining rights and taxes	33,394	-	33,394
Drilling, sampling and assay	99,477	-	99,477
Total additions	193,585	15,240	200,825
Balance, March 31, 2012	\$3,446,315	\$116,115	\$ 3,562,430

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.

Peru Gold & Copper Property

The Company entered into a binding option agreement with an arm's length third party (the "Optionor") pursuant to which it acquired the option to purchase a metallic mining license, covering an area of 1,000 hectares, located in Northwest Peru. Under the terms of the option agreement, the Company has the right to purchase the license, during the three year term, by paying the Optionor a total of US\$500,000, to be paid in tranches over the course of the period ending on December 2012. The first cash payment of US\$4,000 has already been paid to the Optionor.

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Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

5. Exploration and evaluation assets (cont'd)

Bear Property, Northwest Territories, Canada

During the fiscal year 2009, the Company entered into a letter of intent (the "Letter of Intent") dated April 30, 2010 with Golden Lion Resources Inc. now known as Silver Bear Mines Inc. ("Silver Bear") with respect to the proposed transfer of all of the Company's 49% interest in the Bear mineral property located in the Northwest Territories (the "Bear Property") to Silver Bear. The purchase price for the 49% interest in the Bear Property is \$3,000,000, and was payable: (i) by the assumption of debt (the "Assumed Debt") owing by the Company to certain lenders in the aggregate amount of \$1,930,172; and (ii) by the issuance and delivery of common shares in the capital of Silver Bear ("Silver Bear Shares") having an aggregate value of \$1,055,808, which Silver Bear Shares will be distributed to the shareholders of the Company in a tax effective manner. The actual number (not to exceed 2,000,000) and deemed price of the Silver Bear Shares shall be determined at or before the time of execution of the definitive agreement(s) for the proposed transaction.

Concurrently with the execution of the Letter of Intent, the Company entered into a debt assumption agreement, pursuant to which Silver Bear assumed the Assumed Debt effective as of April 30, 2010 and the lenders released the Company from any further obligations under the Assumed Debt.

In 2010, the Company recorded a sale or disposal of asset of \$6,381,971 for a net book value of \$nil.

In 2011, the Company distributed 1,250,000 shares of Silver Bear Mines Inc. valued at \$1,055,808 to its shareholders. The amount has been included in distribution to shareholders.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

6. Property, plant and equipment

	Computer Equipment	Computers, Furniture and Leasehold Improvement	Total
Cost			
Balance, December 31, 2010	17,847	68,245	86,092
Write-down	(17,847)	(68,245)	(86,092)
Balance, December 31, 2011 and March 31, 2012	\$ -	\$ -	\$ -
Depreciation			
Balance, December 31, 2010	17,847	65,685	83,532
Write-down	(17,847)	(65,685)	(83,532)
Balance, December 31, 2011 and March 31, 2012	\$ -	\$ -	\$ -
Carrying amounts			
At December 31, 2010	\$ -	\$ 2,560	\$ 2,560
Carrying amounts			
At December 31, 2011 and March 31, 2012	\$ -	\$ -	\$ -

7. Accounts payables and accrued liabilities

	March 31, 2012	December 31, 2011
Accounts payables	\$ 114,730	\$ 134,395
Accrued liabilities	10,000	25,000
Interest payable	-	-
	\$ 124,730	\$ 159,395

8. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2012 was based on the loss attributable to common shareholders of \$189,364 (2011 - \$303,334) and the weighted average number of common shares outstanding of 96,834,727 (2011 - 80,162,181).

Diluted loss per share did not include the effect of 9,950,000 stock options, 33,462,533 share purchase warrants and 690,667 finders' warrants as the effect would be anti-dilutive.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At March 31, 2012 there were 97,041,048 issued and fully paid common shares (December 31, 2011 - 93,911,848).

Please refer to the Statements of Changes in Equity for a summary of changes in share capital and reserves for the three months ended March 31, 2012. Reserves relate to stock options, agent's unit options, and compensatory warrants that have been issued by the Company.

Private placement

Three Months Ended March 31, 2012

- i) On January 6, 2012, the Company closed a non-brokered private placement of 3,129,200 Units at a price of \$0.10 per Unit for aggregate gross proceeds of \$312,920. Each Unit consists of one common share and one common share purchase warrant. Each Warrant is exercisable into one additional common share for a period of 24 months after the closing at a price of \$0.15 per common share, subject to earlier termination in the event that the closing price (or closing bid price on days when there are no trades) of the common shares on the TSX Venture Exchange exceeds \$0.25 for 20 consecutive trading days, then upon the Company sending subscribers written notice of such date and issuing a news release announcing such date, the Warrant will only be exercisable for a period of 30 days following the date on which such written notice is sent to the subscribers. The securities issued in connection with the Offering will be subject to a four month hold period that expires May 7, 2012. Finders acting in connection with the Offering received aggregate fees of \$9,520.

Year Ended December 31, 2011

On July 15, 2011, the Company issued a total of 10,000,000 Units ("Unit") at a price of \$0.10 per Unit. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Each Warrant is exercisable into one additional common share until July 15, 2013 at a price of \$0.15 per common share. The Company issued 101,500 finder's warrants, with each finder's warrant entitling the holder to purchase one common share at an exercise price of \$0.15 per common share until July 15, 2013

The fair value of the finders' warrants, being \$7,266 was determined using the Black-Scholes option pricing model weighted average assumptions with a volatility of 167%, average risk free interest rate of 1.41%, expected life of 2 years, and a dividend rate of 0%.

The fair value of the private placement warrants, being \$808,348 was determined using the Black-Scholes option pricing model weighted average assumptions with a volatility of 167%, average risk free interest rate of 1.41%, expected life of 2 years, and a dividend rate of 0%.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars - unaudited)
For the Three Month Period ended March 31, 2012

9. Share capital (cont'd)***Warrants***

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2010	50,553,333	\$ 0.15
Granted	10,000,000	0.11
Exercised	(6,839,000)	0.11
Expired or cancelled	(23,381,000)	0.10
Balance, December 31, 2011	30,333,333	\$ 0.09
Granted	3,129,200	0.10
Expired or cancelled	-	-
Balance outstanding, March 31, 2012	33,462,533	\$ 0.09
Balance exercisable, March 31, 2012	30,333,333	\$ 0.09

Three Months Ended March 31, 2012

In conjunction with private placement described earlier, the Company issued 3,129,200 warrants that are exercisable into one additional common share at a price of \$0.50 per common share, until January 7, 2014.

Year Ended December 31, 2011

In conjunction with private placement described earlier, the Company issued 10,000,000 warrants and 101,500 finder's warrants that are exercisable into one additional common share at a price of \$0.15 per common share, until November 16, 2013.

Finders' Warrant

Finders' warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2010	589,167	\$ 0.10
Granted	101,500	0.15
Balance, December 31, 2011	690,667	\$ 0.11
Granted	-	-
Balance outstanding, March 31, 2012	690,667	\$ 0.11
Balance exercisable, March 31, 2012	690,667	\$ 0.11

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

10. Share based payments

Stock options

The Company follows the policies of the TSX Venture Exchange, under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option equals the market price of the Company's common shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. The vesting period for all options is at the discretion of the board of directors.

The changes in options are as follows:

	Three Months Ended March 31, 2012		Year Ended December 31, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	7,700,000	\$ 0.16	6,700,000	\$ 0.17
Options granted	2,250,000	0.10	1,150,000	0.12
Options cancelled/expired	-	-	(150,000)	0.25
Options outstanding, end of period	9,950,000	\$ 0.15	7,700,000	\$ 0.16
Options exercisable, end of period	8,262,500	\$ 0.15	7,700,000	\$ 0.16

Three Months Ended March 31, 2012

On March 14, 2012, the Company granted an aggregate of 2,250,000 stock options to directors, officers and consultants of the Company. The options are at an exercise price of \$0.10 per share and valid for a period of five years from the date of the grant and vest 25% on grant and 25% quarterly thereafter.

Year Ended December 31, 2011

- i) On January 7, 2011, the Company granted stock options to purchase up to 500,000 common shares of the Company at a price of \$0.135 per share to consultants, such stock options expiring on January 7, 2016; and
- ii) On March 24, 2011, granted stock options to purchase up to 200,000 common shares of the Company at a price of \$0.12 per common share to consultants, such stock options expiring on March 24, 2016.
- iii) On September 1, 2011, the Company granted 450,000 stock options at an exercise price of \$0.10 to directors and officers of the Company, such options expiring on September 1, 2016.

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

10. Share based payments (cont'd)

The total share-based payments recognized during the three months ended March 31, 2012, under the fair value method was \$195,943 (2011 - \$109,923). The Company expense during the three months ended was \$102,054 (2011 - \$109,923) leaving an unamortized balance of \$93,890 (2011 - \$nil).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the three months ended March 31, 2012 and 2011:

	2012	2011
Risk-free interest rate	1.45%	1.00%
Expected life of options	5 years	3 years
Annualized volatility	192%	217%
Dividend rate	0.00%	0.00%

Stock option reserve

The stock option reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

11. Related party transactions

The Company entered into the following transactions with related parties:

- Paid or accrued management fees of \$30,000 (2011 - \$30,000) to a company controlled by chief executive officer and director of the Company.
- Paid or accrued management fees of \$15,000 (2011 - \$15,000) to an operational and financial officer and director of the Company.
- Paid or accrued consulting fees of \$12,000 (2011 - \$12,000) to a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Key management personnel compensation

	Three Months Ended	
	March 31, 2012	March 31, 2011
Short-term employee benefits – management fees	\$ 45,000	\$ 30,000
– salary	-	15,000
– consulting fees	12,000	12,000
Share-based payments - officers	49,893	-
Share-based payments - directors	22,679	-
Total	\$ 129,572	\$ 57,000

SOLID RESOURCES LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars - unaudited)

For the Three Month Period ended March 31, 2012

12. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity (deficiency). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2012. The Company is not subject to externally imposed capital requirements.

13. Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

As at March 31, 2012, the carrying values of cash, receivables and accounts payable and accrued liabilities, due to related parties and loans payable approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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13. Financial risk management (cont'd)

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At March 31, 2012, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at March 31, 2012, the Company had a cash balance of \$75,314 (December 31, 2011 - \$264,735) to settle current liabilities of \$124,730 (December 31, 2011 - \$159,395).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest risk

The Company has cash balances and interest-bearing loans payable. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of March 31, 2012, the Company did not have any investments in investment-grade short-term deposit certificates. The Company's loans payable bear interest at fixed interest rates, and as such, the Company is not exposed to interest rate risk on its loans payable.

b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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14. Supplemental disclosure with respect to cash flows

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Three Months Ended	
	March 31, 2012	March 31, 2011
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

There were no significant non-cash transactions for the three months ended March 31, 2012 and 2011.

15. Subsequent events

- i) On April 19, 2012, the Company received an approval from the TSX Venture Exchange to extend the expiry date of 20,333,333 common share purchase warrants that were issued as part of a non-brokered private placement completed by the company in November, 2010. The warrants are exercisable for common shares of Company at a price of 10 cents per share and will expire on May 17, 2012. The Company is proposing to extend the expiry date of the warrants by an additional six months to Nov. 17, 2012. All other terms and conditions of the warrants, including the exercise price, will remain the same.
- ii) On May 16, 2012, the Company issued a total of 11,000,000 Units at a price of \$0.10 per Unit. Each Unit consisted of one common share and one common share purchase warrant. Each Warrant is exercisable into one additional common share until May 17, 2014 at a price of \$0.15 per common share, subject to earlier termination in the event that the closing price (or closing bid price on days when there are no trades) of the common shares on the TSX Venture Exchange exceeds 25 cents for 20 consecutive trading days, then upon the corporation sending subscribers written notice of such date and issuing a news release announcing such date, each warrant will only be exercisable for a period of 30 days following the date on which such written notice is sent to the subscribers.

The Company paid finder fees of \$52,850 and issued 525,000 finder's warrants, with each finder's warrant entitling the holder to purchase one common share at an exercise price of \$0.15 per common share until May 17, 2014 and is subject to the early termination clause as outlined in the previous paragraph.

The fair value of the finders' warrants, being \$34,443 was determined using the Black-Scholes option pricing model weighted average assumptions with a volatility of 131%, average risk free interest rate of 1.45%, expected life of 2 year, and a dividend rate of 0%.