

INLET RESOURCES LTD.
INTERIM FINANCIAL STATEMENTS
March 31, 2006
(Unaudited)

NOTICE TO READER

INTERIM BALANCE SHEETS

INTERIM STATEMENTS OF LOSS AND DEFICIT

INTERIM STATEMENTS OF CASH FLOWS

NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statement for the period ended March 31, 2006

NOTICE TO READER

The interim balance sheet as at March 31, 2006 and the interim statements of loss and deficit, and the interim statements of cash flows for the three month period then ended are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Moen and Company.

The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

/s/ David Baker

David Baker, Director
Vancouver, BC Canada
May 26, 2006

/s/ Earl Terris

Earl Terris, Director
Vancouver, BC Canada
May 26, 2006

INLET RESOURCES LTD.
BALANCE SHEETS
(Expressed In Canadian Dollars)

ASSETS	March 31, 2006	December 31, 2005
Current Assets		
Cash	\$ 549,412	\$ 205,759
Due from broker	-	13,259
GST receivable	5,383	4,742
Accounts receivable (Note 4)	149,363	143,738
Prepaid expenses	1,250	-
Short term investment in public company shares, at market value (Note 13)	72,000	51,800
Total Current Assets	<u>777,408</u>	<u>419,298</u>
Mineral Properties (Note 7)	<u>-</u>	<u>-</u>
Property and equipment – net (Note 5)	<u>2,519</u>	<u>2,879</u>
Long-term investments (Note 11)	<u>141,839</u>	<u>141,839</u>
Total Assets	<u>\$ 921,766</u>	<u>\$ 564,016</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 10,528	\$ 17,493
Shareholders' Equity		
Capital stock (Notes 8)		
Authorized: an unlimited number of common shares without par value		
Issued:		
4,141,817 common shares		
(2005 – 2,141,817 common shares)	14,024,015	13,586,210
Contributed surplus	339,088	339,088
Deficit, accumulated during the development stage (Note 2)	(13,451,865)	(13,378,775)
Total Shareholders' Equity	<u>911,238</u>	<u>546,523</u>
Total Liabilities and Shareholders' Equity	<u>\$ 921,766</u>	<u>\$ 564,016</u>

APPROVED ON BEHALF OF THE BOARD:

"David Baker" (Signed)

Director

"Earl Terris" (Signed)

Director

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

INLET RESOURCES LTD.
STATEMENTS OF INCOME (LOSS) AND (DEFICIT)
(Expressed In Canadian Dollars)

	Three months ended March 31,	
	<u>2006</u>	<u>2005</u>
INTEREST AND OTHER REVENUE	\$ <u>1,504</u>	\$ <u>1,281</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting fees	5,000	7,500
Amortization	360	360
Consulting and administration fees	25,136	15,970
Foreign exchange loss	297	-
Interest and bank charges	161	434
Legal fees	7,645	-
Management fees	11,000	10,500
Rent, telephone, office expenses and services	12,878	25,640
Shareholders' communication fees and expense	9,500	23,637
Transfer agent and filing fees and services	16,639	8,324
Travel and promotion	3,741	11,374
Gain in value of short term investment	<u>(20,200)</u>	-
Total general and administrative expenses	<u>72,157</u>	<u>103,739</u>
OTHER EXPENSES		
Write-off deferred expenses on Red Lake property	<u>2,437</u>	-
	<u>2,437</u>	-
NET LOSS FOR THE YEAR	\$ <u>(73,090)</u>	\$ <u>(102,458)</u>
DEFICIT, BEGINNING OF YEAR	\$ (13,378,775)	\$ (12,730,887)
DEFICIT, END OF YEAR	\$ <u>(13,451,865)</u>	\$ <u>(12,833,345)</u>
BASIC AND DILUTED LOSS PER SHARE (Note 10)	\$ <u>(0.02)</u>	\$ <u>(0.05)</u>
Weighted average shares outstanding		
- Basic and diluted	<u>3,719,595</u>	<u>1,942,815</u>

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

INLET RESOURCES LTD.
STATEMENTS OF CASH FLOWS
(Expressed In Canadian Dollars)

	<u>Three months ended March 31,</u>	
	<u>2006</u>	<u>2005</u>
Operating activities		
Net loss for the period	\$ (73,090)	\$ (102,458)
Less: Non-cash items		
Amortization	360	360
Gain in value of short term investment	(20,200)	-
Changes in non-cash working capital items		
Accounts receivable and GST	6,993	(2,573)
Prepaid expenses	(1,250)	(8,249)
Accounts payable	(6,965)	614
Net cash used in operating activities	<u>(94,152)</u>	<u>(112,306)</u>
Investing activities		
Deferred exploration costs	-	(6,463)
Net cash used in investing activities	<u>-</u>	<u>(6,463)</u>
Financing activities		
Proceeds from issuance of common shares	437,805	-
Net cash provided by financing activities	<u>437,805</u>	<u>-</u>
CASH, INCREASE (DECREASE) DURING THE PERIOD	343,653	(118,769)
CASH, BEGINNING OF PERIOD	<u>205,759</u>	<u>474,578</u>
CASH, END OF PERIOD	<u>\$ 549,412</u>	<u>\$ 355,809</u>

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

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 1. **Business of the Company**

Inlet Resources Ltd. ("the Company") carries out its business activities exclusively in Canada, and is engaged in the acquisition, exploration, development and subsequent production relating to mineral properties. The Company is incorporated in British Columbia, Canada.

Note 2. **Nature of Operations and Going Concern**

The Company is considered to be a development stage enterprise, in the exploration of mineral properties, and accordingly, the deficit has been accumulated during the development stage.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since incorporation and inception of \$13,451,865 and has working capital at March 31, 2006 of \$766,880. These factors create substantial doubt as to the ability of the Company to continue as a going concern unless sufficient funds are raised for ongoing operations. The Company proposes to raise funds by private placements (see Note 8(d)). Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

Note 3. **Summary of Significant Accounting Policies**

(a) **Mineral Property Interests and Deferred Exploration Costs**

- (i) Acquisition costs of mineral property interests together with exploration costs thereon are deferred in the accounts to be written off when production is attained or disposition occurs. If the results from exploration warrant abandonment of certain mineral properties, costs related thereto are written off to current operations.
- (ii) Exploration costs and mine development costs to be incurred, including those to be incurred in advance of commercial production and those incurred to expand capacity of proposed mines, are to be capitalized. Mine development costs to be incurred to maintain production will be expensed as incurred. Depletion and amortization expense related to capitalized mineral property interests and exploration costs and mine development costs will be computed using the units-of-production method based on proven and probable reserves.

(b) **Property Option Agreements**

The Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded; option payments are recorded as resource property costs or recoveries when the payments are made or received.

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 3. **Summary of Significant Accounting Policies (cont'd)**

(c) **Values**

The amounts shown for Mineral Property Acquisition Costs and Deferred Exploration Costs represent historic costs incurred to date and are not intended to reflect present or future values. The recoverability of the amounts shown for mineral property interests and related deferred exploration costs is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development, and future profitable production.

(d) **Basis of Presentation**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. (GAAP)

(e) **Property and Equipment**

Property and equipment is carried at cost and is depreciated over its estimated useful life of five years on a straight-line basis.

(f) **Foreign Currency**

The accounts of the Company are translated into Canadian dollars, using the temporal method, where applicable, on the following basis:

- Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
- Non-monetary assets and liabilities are translated at the rate prevailing when the transaction occurred;
- Revenue, general and administration expenses, and gains and losses are translated at the average exchange rate in effect during the period;
- Exchange gains or losses from conversion are included in the current net income;
- Depreciation or amortization of assets translated at historical exchange rates are translated at the same exchange rates as the assets to which they relate.

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 3. **Summary of Significant Accounting Policies (cont'd)**

(g) **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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas where management's judgment is applied include asset and investment valuations, equipment lives, contingent liabilities, tax provisions and future income tax balances, asset retirement obligations and other accrued liabilities. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(h) **Stock Option Plan**

The Company grants stock options under a fixed stock option plan in accordance with the TSX Venture Exchange policies. Effective for fiscal years commencing on or after January 1, 2004, Canadian generally accepted accounting principles require the fair value of all share purchase options to be expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

(i) **Environmental Issues**

The Company is not aware of any environmental studies made and of any present or past obligations.

The operations of the company may in the future be affected from time to time to varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the company vary greatly and are not predictable. The company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 3. **Summary of Significant Accounting Policies (cont'd)**

(j) **Asset Retirement Obligations**

Effective January 1, 2004, the company adopted CICA Handbook Section 3110. Under this standard, future obligations to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are initially recognized and recorded as a liability at fair value, assuming a credit adjusted risk-free discount rate and an inflation factor. The liability is adjusted for changes in the expected amounts and timing of cash flows required to discharge the liability and accreted to full value over time through periodic charges to earnings. The amount of the asset retirement liability initially recognized is capitalized as part of the asset's carrying value and amortized over the asset's estimated useful life.

Under the standard, future asset retirement obligations are only recorded when the timing or amount of remediation costs can be reasonably estimated.

(k) **Earnings (Loss) per Common Share**

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the stock options and warrants that are used to purchase common shares at the average market price during the year. During the three months ended March 31, 2006, all of the outstanding stock options and warrants were antidilutive.

Note 4. **Accounts Receivable**

The Company recognized \$141,360 expenses recoverable from rent, computer/office equipment and miscellaneous services provided at two different offices for the years 2004 and 2005. The amounts recoverable were recorded as a credit to operations in the year ended December 31, 2005, and were received in April 2006. The following are included in accounts receivable

	<u>Mar. 31, 2006</u>	<u>Dec. 31, 2005</u>
Due from companies with common directors	\$ 1,404	\$1,404
Accrued interest receivable	974	974
Other receivables	5,625	
Recoverable expenses	<u>141,360</u>	<u>141,360</u>
	<u>\$ 149,363</u>	<u>\$143,738</u>

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Notes to Interim Financial Statements
March 31, 2006
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Note 5. **Property and Equipment**

	March 31, 2006	March 31, 2005
Equipment at cost	\$ 57,413	\$ 57,413
Accumulated Amortization	(54,894)	(54,534)
	\$ 2,519	\$ 2,879

Note 6. **Contingent Liabilities and Commitments**

The Company is not aware of any significant contingent liabilities or guarantees as at March 31, 2006. The Company has reserved shares for the commitment to issue shares in the event of the exercise of incentive stock options (Note 8(e)) or share purchase warrants (Note 8(f)).

Note 7. **Mineral Properties**

Red Lake Gold Property

On November 19, 2003, the Company entered into a Property Acquisition Agreement with Mackenzie Jaims ("Jaims"). The Company agreed to acquire a 100% interest in the property consisting of 53 mining claims totaling 830 claim units comprised of 32,800 acres located in the Red Lake area of Ontario. In consideration, the Company paid \$60,000 in cash and issued 66,667 shares to Jaims. Jaims retains a 2% net smelter royalty and the Company has the option to purchase a 1% of the net smelter royalty ("NSR") for \$1,000,000.

On December 1, 2003, the Company granted Rampart Ventures Ltd. ("Rampart") the option to acquire an undivided 60% interest in the Red Lake Gold Property. The Company received an option payment of \$25,000 and 100,000 shares of Rampart valued at \$0.15 per share in the year ended December 31, 2004.

On March 1, 2005, Rampart Ventures Ltd. terminated the option agreement.

During the year ended December 31, 2005, the Company continued a comprehensive review of the 2004 exploration data as well as review of previous exploration data. The company completed a 14 day field program on the property consisting of geological mapping and prospecting. Based on the exploration results, there is no future value in the property and, accordingly, the Company wrote off the acquisition costs and exploration expenditures associated with the Red Lake Gold property, while the claiming of this property was still in good standing until April 2006.

During the three months ended March 31, 2006, the Company incurred \$2,437 expenses relating to Red Lake property. Those expenses were charged to operation as the property has been written-off already.

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Notes to Interim Financial Statements
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Note 7. Mineral Properties (cont'd)

Ungava Property

On February 3, 2003, the Company acquired a 100% interest in the Ungava property located in Quebec, through the delivery of 600,000 shares at \$0.13 per share and the payment of \$100,000. The property is subject to a 1% NSR of which half may be purchased for \$1,000,000.

On August 6, 2003, the Company entered into an Option and Joint Venture Agreement with Goldbrook Ventures Inc. ("Goldbrook"). The Company granted Goldbrook the exclusive right and option to acquire an undivided 80% interest in the Ungava Property, through the delivery of an aggregate 500,000 common shares of Goldbrook and incurring an aggregate of \$3,500,000 of work expenditures on the Property for the next 4 years.

On July 30, 2004, the Company announced that it had reached an agreement with Goldbrook Ventures Inc. ("Goldbrook") whereby Goldbrook will acquire all of the Company's interest in the Wakeham Property (the "Property") comprised of approximately 74,280 acres in the Raglan area of northern Quebec. As consideration, Goldbrook delivered 3,000,000 common shares to the Company valued at \$141,839.

This Agreement replaces the option previously granted to Goldbrook by the Company to earn up to an 80% interest in the Property. The Wakeham Property is subject to a 1-per-cent net smelter return royalty on any mineral production from the Property. Goldbrook has the option to purchase one-half of this royalty for \$1 million.

During the year ended December 31, 2005, the Company wrote off the \$1 nominal value of the Ungava property.

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 8. **Capital Stock**

The number of shares and issue price per share for in these financial statements have been restated to reflect the share consolidation of 30 old common shares for one new common share pursuant to a special resolution effective January 11, 2006.

- (a) Authorized: unlimited number of common shares without par value.
- (b) Issued and outstanding:

	March 31, 2006		Year ended December 31, 2005	
	Shares	\$	Shares	\$
Balance, beginning of period	2,141,817	\$ 13,586,210	1,942,817	\$ 13,306,960
Issued during the period				
For Cash – Private Placement				
- 01/20/06 @\$0.225/share	2,000,000	450,000		
- Finder's fees / agent fees	-	(12,195)		
- 05/31/2005 @\$1.50/share			172,333	258,500
- Finder's fees / agent fees			-	(14,500)
- 06/09/2005 @\$1.50/share			26,667	40,000
- Finder's fees / agent fees			-	(4,750)
Total issued during the period	2,000,000	437,805	199,000	279,250
Balance, end of year	4,141,817	\$ 14,024,015	2,141,817	\$ 13,586,210

- (c) Pursuant to a special resolution passed by shareholders July 15, 2005, the Company consolidated its capital on a 30 old for 1 new basis and has increased its authorized capital to an unlimited number of common shares. Effective at the opening January 11, 2006, shares of the Company commenced trading on TSX Venture Exchange on a consolidated basis under the new trading symbol "INL". The Company is classified as a "Resource" company.
- (d) In conjunction with the share consolidation on January 11, 2006, the Company completed a post-consolidation non-brokered private placement involving the issuance of 2,000,000 units (the "Units") at a price of \$0.225 per Unit, for gross proceeds of \$450,000 less finders' fees of \$12,195 for net proceeds of \$437,805. Each Unit is composed of one post-consolidated common share of the Company and one transferable common share purchase warrant. Each Warrant is exercisable into one additional post-consolidated common share of the Company for a period of two years from the closing date of the Private Placement at an exercise price of \$0.30. The proceeds from the offering will be added to working capital and will be used for general and administrative expenses and to investigate new opportunities for the Company.

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 8. **Capital Stock (cont'd)**

(e) Incentive Stock Options

At the Company's Annual General Meeting held on June 15, 2004, shareholders approved the Company's rolling stock option plan whereby a maximum of 10% of the issued shares will be reserved for issuance under the Plan.

A summary of the Company's outstanding stock options as of March 31, 2006 and the changes during the period are presented below:

	<u>Number</u>	<u>Exercise Price</u>
Outstanding and exercisable at December 31, 2005	155,115	\$3.00
Outstanding and exercisable at March 31, 2006	<u>155,115</u>	<u>\$3.00</u>

During the three months ended March 31, 2006, there were no stock options granted.

Incentive Stock options outstanding at March 31, 2006 to directors, officers and key employees are as follows:

Number of shares	Expiry Date	Exercise Price
9,000	December 8, 2007	\$3.00
<u>146,115</u>	July 8, 2009	\$3.00
<u>155,115</u>		

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 8. **Capital Stock (cont'd)**

(f) Share Purchase Warrants

During the three months ended March 31, 2006, 2,000,000 post-consolidated share purchase warrants were issued through the non-brokered private placement (Note 8(d)).

At March 31, 2006, there were 2,699,000 outstanding share purchase warrants entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Shares	Details	Expiry Date	Exercise Price Per Share
333,333	Private Placement	April 20, 2006	\$3.00
66,350	Private Placement	June 15, 2006	\$3.00
100,317	Private Placement	July 6, 2006	\$3.00
172,333	Private Placement	May 30, 2007	\$3.00
26,667	Private Placement	June 8, 2007	\$3.00
<u>2,000,000</u>	Private Placement	January 19, 2008	\$0.30
<u>2,699,000</u>			

(g) Flow-through Shares

The Company renounced \$108,500 of deferred exploration costs on the effective date of December 31, 2005 due to the issuance of 72,333 common flow through shares. The future income tax liability is reduced to "Nil" by a valuation allowance.

Note 9. **Contributed Surplus**

	March 31, 2006	December 31, 2005
Balance at beginning of period	\$ 339,088	\$ 339,088
Stock option compensation	-	-
Balance at end of period	<u>\$ 339,088</u>	<u>\$ 339,088</u>

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 10. **Earnings (Loss) Per Common Share**

	Three months ended March 31, 2006	Weighted Average Shares Outstanding	Loss Per Share
	<u>Net Loss</u>		
Basic Earnings (Loss) per Share	\$ (73,090)	3,719,595	\$ (0.02)
Effect of options		155,115	
Effect of warrants		<u>2,276,778</u>	
Dilutive Earnings (Loss) per Share	<u>\$ (73,090)</u>	<u>6,151,488</u>	<u>\$ (0.02)*</u>
Diluted Earnings (Loss) per Share	<u>\$ (73,090)</u>	<u>6,151,488</u>	<u>\$ (0.02)*</u>

* The diluted loss per share does not increase above the basic loss per share, due to anti-dilutive factors.

Note 11 **Long Term Investments**

As at March 31, 2006 and December 31, 2005, long term investments are recorded at cost of \$141,839 and consist of 3,000,000 common shares of Goldbrook Ventures Inc. ("Goldbrook"), a public company with a common director and common officer. 3,000,000 common shares have been placed in escrow and are to be released to the Company on the basis of one share for each \$0.42 in expenditures made by Goldbrook on the Ungava Property (Note 6, 7 and 16(c)) as approved by TSX Venture Exchange in its bulletin dated August 31, 2004.

The Company is exposed to liquidity risk which is the risk that the Company will encounter difficulty in selling all of these common shares at an amount at least equivalent to its cost.

INLET RESOURCES LTD.
Notes to Interim Financial Statements
March 31, 2006
(Expressed in Canadian Dollars)

Note 12. **Related Parties**

The Company retains the services of certain directors and officers. Management fees, regulatory fees, and corporate and administration fees are as follows:

Expense	Three months ended March 31,	
	2006	2005
Management fees	\$ 11,000	\$ 10,500
Consulting fees - shareholders communication	7,500	-
Corporate services	-	4,500
Total	\$ 18,500	\$ 15,000

In the three months ended March 31, 2006, the management fees of \$11,000 (2005 - \$10,500) were paid to the president, who is also a director, of the Company. Three months of consulting fees related to shareholders' communication of \$7,500 were paid to a company controlled by the spouse of the president.

At March 31, 2006, accounts payable and accrued liabilities included \$924 (2005 - \$986) due to a director of the Company and \$3,514 (2005 - \$4,677) owing to a company with common directors for expenses paid on behalf of the Company.

At March 31, 2006 accounts receivable include the offices expenses paid on behalf of companies with common directors and management in the amount of \$1,404 (2005 - Nil).

Note 13. **Financial Instruments / Short Term Investment in Public Company Shares**

For cash, accounts receivable, investment in public company shares, and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximate their fair value, except for the investment in public company shares which are recorded at cost of \$89,000, and have a market value of \$72,000 at March 31, 2006; the increase in value of during the quarter in the amount of \$20,200 is recorded in these financial statements for the three months ended March 31, 2006. The investment in public company shares includes 160,000 common shares of Goldbrook Ventures Inc. at total cost of \$80,000 and 60,000 common shares of Rampart Ventures Ltd. at total cost of \$9,000.

<u>Investment</u>	March 31, 2006		December 31, 2005	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Goldbrook Ventures Inc.	\$ 80,000	\$ 43,200	\$ 80,000	\$ 36,800
Rampart Ventures Ltd.	9,000	28,800	9,000	15,000
Total	\$ 89,000	\$ 72,000	\$ 89,000	\$ 51,800

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(Expressed in Canadian Dollars)

Note 14. **Risk Factors**

Concentration of credit risk

The Company does not believe it is subject to any significant concentration of credit risk. Cash is placed with major financial institutions on a cash or short term investment basis. Accounts receivable represent amounts that are collectible.

Interest rate risk

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

Note 15. **Subsequent Events**

The Company will be applying for the release of the 3 million escrow Goldbrook shares. As per the Goldbrook Ventures Inc. audited financials statements for the year-ended April 30, 2005, exploration expenditures incurred in the Wakeham Property from August 1, 2004 to April 30, 2005 total \$1,302,531 and May 1, 2005 to December 31, 2005 of \$90,577 for a total of \$1,393,108. Based on these expenditures, the Company is eligible to apply for release of the 3,000,000 escrow shares based upon one share for each \$0.42 in exploration expenditures made by Goldbrook in the Wakeham Property.