



Tribute Minerals Inc.

INTERIM FINANCIAL STATEMENTS

June 30, 2006

(unaudited)

Tribute Minerals Inc.

Balance Sheets

As at	June 30 2006 \$	December 31 2005 \$
	(Unaudited)	
ASSETS		
Current		
Cash and cash equivalents	1,002,421	661,955
Marketable securities (note 2)	51,500	51,500
Accounts receivable	71,931	7,973
Prepaid expenses	107,960	3,459
	1,233,812	724,887
Capital assets, net of accumulated depreciation of \$7,565 (December 31, 2005 - \$7,390)	8,303	2,344
	1,242,115	727,231
LIABILITIES		
Current		
Accounts payable and accrued liabilities	15,229	346,378
Advances from officers and directors	-	10,000
	15,229	356,378
SHAREHOLDERS' EQUITY		
Share capital (note 4)	8,657,131	6,642,103
Deficit	(7,430,245)	(6,271,250)
	1,226,886	370,853
	1,242,115	727,231

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

APPROVED ON BEHALF OF THE BOARD

“Signed”
Ian Brodie-Brown
Director

“Signed”
John Harvey
Director

Tribute Minerals Inc.

Statements of Loss and Deficit

(Interim, Unaudited)

	Three Months Ending June 30		Year to Date June 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Revenue				
Interest	9,267	461	10,677	6,881
Expenses				
Exploration expenditures (note 3)	192,581	151,465	917,398	501,491
General and administrative	110,413	89,475	182,996	156,240
Stock based compensation	68,403	18,500	68,403	21,250
Depreciation	700	-	875	-
	372,097	259,440	1,169,672	678,981
Net loss for the period	362,830	258,979	1,158,995	672,100
Deficit, beginning of period	7,067,415	5,860,721	6,271,250	5,447,600
Deficit, end of period	7,430,245	6,119,700	7,430,245	6,119,700
Net loss per share	0.00	0.00	0.02	0.02
Basic and diluted weighted average shares outstanding	54,556,910	39,656,910	49,836,555	39,656,910

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

Tribute Minerals Inc.

Statements of Cash Flows

(Interim, Unaudited)

	Three Months Ending		Year to Date	
	June 30		June 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Operating Activities				
Net loss for the period	(362,830)	(258,979)	(1,158,995)	(672,100)
Depreciation of capital assets	700	250	875	500
Stock-based compensation	68,403	18,500	68,403	21,250
Shares issued for interest in mineral property	5,625		5,625	
Net change in non-cash working capital balances related to operating activities	(398,832)	167,743	(499,608)	537,077
Cash used in operating activities	(686,934)	(72,486)	(1,583,700)	(113,273)
Investing Activity				
Purchase of capital assets	(6,834)	-	(6,834)	-
Financing Activities				
Issuance of common shares	-	-	1,929,000	-
Exercise of warrants	12,000		12,000	
Repayment of advances from officers and directors	-		(10,000)	
Cash provided by financing activities	12,000	-	1,931,000	-
Net (decrease) increase in cash and cash equivalents	(681,768)	(72,486)	340,466	(113,273)
Cash and cash equivalents, beginning of period	1,684,189	73,003	661,955	113,790
Cash and cash equivalents, end of period	1,002,421	517	1,002,421	517

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

Tribute Minerals Inc.

Notes to the Financial Statements

June 30, 2006

(Unaudited)

1. Basis of Presentation

These interim financial statements are unaudited and have **not been** reviewed by the Company's auditors. The management of Tribute Minerals Inc. (the "Company" or "Tribute") has prepared these financial statements in accordance with Canadian generally accepted accounting principles. These statements should be read in conjunction with the audited financial statements for the year ended December 31, 2005. The disclosure in these interim financial statements does not include all information and footnote disclosure required under generally accepted accounting principles for annual financial reporting.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three and six months ended June 30, 2006 may not be indicative of the results that may be expected for the full year ending December 31, 2006.

2. Marketable Securities

	June 30, 2006		December 31, 2005	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Vencan Gold Corporation 500,000 common shares	50,000	62,500	50,000	42,500
Continuum Resources Ltd. 50,000 common shares (100,000 in 2004)	14,000	14,500	14,000	9,000
	64,000	77,000	64,000	51,500

The book value of the marketable securities is now \$51,500 due to the decrease in market value and corresponding write-down at December 31, 2005.

3. Mineral Properties

As at June 30, 2006, the Company holds claims, directly or indirectly, on 19 mineral properties in northwestern Ontario, 14 within the Confederation Lake area. The following table presents the Company's expenditures on these mineral properties:

	Cumulative expenditures to December 31, 2005 \$	Expenditures during 2006 \$	Cumulative expenditures to June 30, 2006 \$
Confederation Lake	3,239,943	907,917	4,147,860
Richardson Lake	69,417	-	69,417

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Bridget Lake	271,055	-	271,055
Fredart Lake	494,555	412	494,967
Woman River	(93,366)	3,444	(89,922)
Other	334,172	5,625	339,797
	4,315,776	917,398	5,233,174

The **Confederation Lake** properties (8 claim groups) are gold and base metal prospects situated in the Red Lake Mining Division, Northwestern Ontario. On February 12, 2002 the Company entered into an option agreement to acquire from Noranda Inc. ("Noranda") a 100% interest in a group of mineral properties collectively known as the Confederation Lake properties. In order to earn the 100% interest in the properties, the Company must incur a total of \$3,500,000 in exploration and development expenditures on the properties as follows:

- i. \$500,000 on or before February 12, 2003
- ii. an aggregate of \$1,500,000 on or before February 12, 2004
- iii. an aggregate of \$2,500,000 on or before February 12, 2005
- iv. an aggregate of \$3,500,000 on or before February 12, 2006

During the quarter, the Company announced that it has met all criteria to earn its 100% interest subject to its agreement to pay to Noranda a 2.0% net smelter return ("NSR") royalty and other underlying royalties on certain properties. There is also a back-in option whereby Noranda has a right to reacquire a 50% interest in any area where a deposit is identified (the "Project Area") after the delivery by the Company to Noranda of an independent scoping study confirming the existence of a deposit of at least 8 million tonnes of massive sulphide or one million ounces of gold. In order to exercise the back-in right, Noranda must expend 150% of the Company's cumulative expenditures on these properties to the exercise date. In addition, the Company is required to make one-time payments to Noranda consisting of \$500,000 upon the submission of the first such independent scoping study with respect to which Noranda does not exercise its back-in option and a further \$1,500,000 upon the commencement of commercial production from the subject Project Area.

On August 30, 2005, the Company announced the signing of a letter of intent with Murgor Resources Inc. ("Murgor") forming a joint venture partnership; the joint venture has acquired the right to a 100% interest in the **Clay South Property** in Northwestern Ontario. The Clay South Property consists of 7 claims (79 units) located in the Shebandowan greenstone belt, approximately 120 kilometers west of Thunder Bay.

Under the terms of the Letter of Intent, Murgor and Tribute have the right to acquire a 100% interest in the Clay South Property in consideration for jointly (i) paying \$8,500, upon signing of the Letter of Intent, (ii) issuing 50,000 common shares on signing a formal agreement; and (iii) making additional cash payments of \$80,000 and issuing 100,000 common shares. The vendor will retain a 1.5% NSR royalty on the property which 50% (or 0.75% NSR) can be bought back by Murgor and Tribute for \$750,000. All cash payments, share issuances and exploration expenses are to be shared equally by Murgor and Tribute. Murgor will be operator for all exploration activities on the property.

On December 30, 2005 a property acquisition agreement among Rubicon Minerals Corp. ("Rubicon"), Murgor and Tribute was signed. Tribute agreed to issue shares to Rubicon in the following denominations: (a) 25,000 common shares upon regulatory approval; (b) 25,000 common shares twelve months after signing of the agreement c) 25,000 common shares

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twenty-four months after signing of the agreement. On April 26, 2006, regulatory approval was obtained, and 25,000 shares were issued to Rubicon with 50,000 common shares reserved for issuance.

4. Share Capital

a) Share capital is comprised of the following:

	June 30 2006	December 31 2005
	\$	\$
Common shares (note 6(b))	8,275,252	6,328,627
Stock options (note 6(f))	345,408	277,005
Warrants (note 6 (g))	36,471	36,471
	8,657,131	6,642,103

b) Tribute is authorized to issue an unlimited number of common shares. The following table provides the details of changes in the number of issued common shares:

	Number of shares	Amount \$
Balance, December 31, 2004	39,656,910	5,546,777
Shares issued through private placement	3,210,000	321,000
Shares issued through private placement	4,705,000	564,600
Share issue expenses	-	(160,768)
Warrant expiry	-	57,018
Balance, December 31, 2005	47,571,910	6,328,627
Exercise of warrants	6,725,000	1,887,000
Exercise of stock options	360,000	72,000
Shares issued for interest in mineral property	25,000	5,625
Share issue expenses	-	(18,000)
Balance, June 30, 2006	54,681,910	8,275,252

c) As of June 30, 2006, 4,920,000 common shares (2,680,000 at December 31, 2005) were reserved for the exercise of stock options granted to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan"). All stock options issued to date under the Plan vest over an 18 month period from the date of grant. The following summary sets out the activity in outstanding Plan options:

	Options #	Weighted- average exercise price \$
Outstanding, December 31, 2005	2,680,000	0.25
Exercised	360,000	0.20
Granted	2,600,000	0.20
Outstanding, June 30, 2006	4,920,000	0.23

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The details of stock options outstanding at June 30, 2006 are as follows:

Number of stock options	Remaining contractual life	Exercise price per share	Expiry date
950,000	0.4 years	\$0.20	December 31, 2006
10,000	1.0 years	\$0.48	July 24, 2007
10,000	1.0 years	\$0.59	July 24, 2007
600,000	1.8 years	\$0.40	May 6, 2008
550,000	2.5 years	\$0.26	December 4, 2008
100,000	2.9 years	\$0.25	June 10, 2009
100,000	3.4 years	\$0.15	January 12, 2010
2,600,000	5.0 years	\$0.20	June 19, 2011

The fair value of the options granted during the year was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.5%, expected dividend yield of nil, expected volatility of 74% and expected life term of 3.5 years. Under this method of calculation, the Company has recorded \$68,403, as stock based compensation, being the fair value of the options vested during the quarter-ended June 30, 2006 (2005 - \$18,500).

d) A summary of changes in common share purchase warrants is as follows:

	Warrant #	Weighted-average exercise price \$
Outstanding, December 31, 2005	15,181,400	0.19
Exercised	6,725,000	0.28
Outstanding, June 30, 2006	8,456,400	0.12

The details of common share purchase warrants outstanding at June 30, 2006 are as follows:

Number of common share purchase warrants	Remaining contractual life	Exercise price per share	Expiry date
7,823,200	1.6 years	\$0.12	December 6, 2007
633,200	1.6 years	\$0.10	December 6, 2007

5. Related Party Transactions

During the three months ended June 30, 2006, the Company paid \$8,198 (\$9,070 in 2005) of legal fees to a company related to an officer of the Company. The Company also incurred \$197,157 (\$103,095 in 2005) of drilling costs with a company that has a common director.

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Corporate Information

Officers

Ian Brodie-Brown - President, Chief Executive Officer
Peter Brodie-Brown - Vice-President, Shareholder Relations
Errol Farr – Chief Financial Officer
William R. Johnstone – Corporate Secretary
Peter Purcell – Vice-President, Corporate Development

Directors

John Harvey, P.Eng., Chairman of the Board
Ian Brodie-Brown
William R. Johnstone
Richard Nemis

Legal Counsel

Gardiner Roberts LLP
Toronto, Ontario

Auditors

Ernst & Young LLP
Toronto, Ontario

Transfer Agent

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Exchange Listing

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Trading Symbol

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