



Tribute Minerals Inc.

INTERIM FINANCIAL STATEMENTS

September 30, 2006

(unaudited)

Tribute Minerals Inc.

Balance Sheets

| As at | September 30 2006 \$ | December 31 2005 \$ |
|---|----------------------------|---------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | 647,764 | 661,955 |
| Marketable securities (note 2) | 51,500 | 51,500 |
| Accounts receivable | 77,881 | 7,973 |
| Prepaid expenses | 107,960 | 3,459 |
| | 885,105 | 724,887 |
| Capital assets, net of accumulated depreciation of \$7,565 (December 31, 2005 - \$7,390) | 7,953 | 2,344 |
| | 893,058 | 727,231 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | 173,123 | 346,378 |
| Advances from officers and directors | - | 10,000 |
| | 173,123 | 356,378 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (note 4) | 8,742,869 | 6,642,103 |
| Deficit | (8,022,934) | (6,271,250) |
| | 719,935 | 370,853 |
| | 893,058 | 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 September 30 | | Year to Date September 30 | |
|--|-------------------------------------|------------|------------------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| Interest | 8,265 | 34 | 18,941 | 6,916 |
| Expenses | | | | |
| Exploration expenditures (note 3) | 504,623 | (7,720) | 1,422,021 | 493,271 |
| General and administrative | 92,603 | 54,829 | 275,598 | 211,070 |
| Stock based compensation | 3,378 | - | 71,781 | 21,250 |
| Depreciation | 350 | - | 1,225 | 500 |
| Loss on disposal of marketable securities | - | 5,050 | - | 5,050 |
| | 600,954 | 52,159 | 1,770,625 | 737,141 |
| Net loss for the period | 592,689 | 52,125 | 1,751,625 | 724,225 |
| Deficit, beginning of period | 7,430,245 | 6,119,700 | 6,271,250 | 5,447,600 |
| Deficit, end of period | 8,022,934 | 6,171,825 | 8,022,934 | 6,171,825 |
| Net loss per share | 0.01 | 0.00 | 0.03 | 0.02 |
| Basic and diluted weighted average shares outstanding | 52,908,614 | 39,656,910 | 51,593,341 | 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 | |
|---|---------------------|----------|--------------|-----------|
| | September 30 | | September 30 | |
| | 2006 | 2005 | 2006 | 2005 |
| | \$ | \$ | \$ | \$ |
| Operating Activities | | | | |
| Net loss for the period | (592,689) | (52,125) | (1,751,684) | (724,225) |
| Items not affecting cash: | | | | |
| Depreciation of capital assets | 350 | - | 1,225 | 500 |
| Stock-based compensation | 3,378 | - | 71,781 | 21,250 |
| Shares issued for interest in mineral property | - | - | 5,625 | - |
| Net change in non-cash working capital balances related to operating activities | 151,944 | 1,148 | (347,664) | 538,225 |
| Cash used in operating activities | (437,017) | (50,977) | (2,020,717) | (164,250) |
| Investing Activity | | | | |
| Purchase of capital assets | - | - | (6,834) | - |
| Financing Activities | | | | |
| Exercise of warrants | - | - | 1,929,360 | - |
| Exercise of options | 82,360 | - | 94,000 | - |
| Repayment of advances from officers and directors | - | 73,682 | (10,000) | 73,682 |
| Cash provided by financing activities | 82,360 | 73,682 | 2,013,360 | 73,682 |
| Net (decrease) increase in cash and cash equivalents | (354,657) | (22,705) | (14,191) | (90,568) |
| Cash and cash equivalents, beginning of period | 1,002,421 | 517 | 661,955 | 113,790 |
| Cash and cash equivalents, end of period | 647,764 | 23,222 | 647,764 | 23,222 |

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

Tribute Minerals Inc.

Notes to the Financial Statements

September 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 nine months ended September 30, 2006 may not be indicative of the results that may be expected for the full year ending December 31, 2006.

2. Marketable securities

| | September 30, 2006 | | December 31, 2005 | |
|--|--------------------|-----------------------|-------------------|-----------------------|
| | Cost \$ | Market Value \$ | Cost \$ | Market Value \$ |
| Vencan Gold Corporation 500,000 common shares | 50,000 | 50,000 | 50,000 | 42,500 |
| Continuum Resources Ltd. 50,000 common shares | 14,000 | 13,500 | 14,000 | 9,000 |
| | 64,000 | 63,500 | 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.

Tribute Minerals Inc.

3. Mineral properties

As at September 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 September 30, 2006 \$ |
|--------------------|--|-----------------------------------|--|
| Confederation Lake | 3,239,943 | 1,412,540 | 4,652,483 |
| Richardson Lake | 69,417 | - | 69,417 |
| 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 | 1,422,021 | 5,737,797 |

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

The Company 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.

Tribute Minerals Inc.

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 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:

| | September 30 2006 \$ | December 31 2005 \$ |
|---------------------------|-------------------------------------|---------------------------|
| Common shares (note 6(b)) | 8,357,612 | 6,328,627 |
| Stock options (note 6(c)) | 348,786 | 277,005 |
| Warrants (note 6 (d)) | 36,471 | 36,471 |
| | 8,742,869 | 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, 2005 | 47,571,910 | 6,328,627 |
| Exercise of warrants | 7,228,600 | 1,947,360 |
| Exercise of stock options | 470,000 | 94,000 |
| Shares issued for interest in mineral property | 25,000 | 5,625 |
| Share issue expenses | - | (18,000) |
| Balance, September 30, 2006 | 55,295,510 | 8,357,612 |

Tribute Minerals Inc.

- c) As of September 30, 2006, 4,860,000 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 | 0.26 |
| Exercised | 470,000 | 0.20 |
| Granted | 2,650,000 | 0.20 |
| Outstanding, September 30, 2006 | 4,860,000 | 0.23 |

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

| Number of stock options | Remaining contractual life | Exercise price per share | Expiry date |
|----------------------------|-------------------------------|-----------------------------|--------------------|
| 840,000 | 0.3 years | \$0.20 | December 31, 2006 |
| 10,000 | 0.8 years | \$0.48 | July 24, 2007 |
| 10,000 | 0.8 years | \$0.59 | July 24, 2007 |
| 600,000 | 1.5 years | \$0.40 | May 6, 2008 |
| 550,000 | 2.2 years | \$0.26 | December 4, 2008 |
| 100,000 | 2.6 years | \$0.25 | June 10, 2009 |
| 100,000 | 3.4 years | \$0.15 | January 12, 2010 |
| 2,600,000 | 4.7 years | \$0.20 | June 19, 2011 |
| 50,000 | 3.0 years | \$0.215 | September 29, 2009 |

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 \$3,378, as stock based compensation, being the fair value of the options vested during the quarter-ended September 30, 2006 (2005 - \$nil).

Tribute Minerals Inc.

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 | 7,228,600 | 0.27 |
| Outstanding, September 30, 2006 | 7,952,800 | 0.12 |

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

| Number of common share purchase warrants | Remaining contractual life | Exercise price per share | Expiry date |
|--|-------------------------------|-----------------------------|------------------|
| 7,323,300 | 1.2 years | \$0.12 | December 6, 2007 |
| 629,600 | 1.2 years | \$0.10 | December 6, 2007 |

5. Related party transactions

During the three months ended September 30, 2006, the Company paid \$10,585 (\$13,387 in 2005) of legal fees to a company related to an officer of the Company. The Company also incurred \$407,989 (\$nil in 2005) of drilling costs with a company that has a common director, this director retired from the related party in September, 2006.

6. Subsequent events

Subsequent to September 30, 2006 1,003,600 warrants were exercised for proceeds of \$120,432 and 150,000 stock options were exercised for proceeds of \$30,000.

Tribute Minerals Inc.

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

Equity Transfer & Trust Company
Toronto, Ontario

Exchange Listing

TSX Venture Exchange

Trading Symbol

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