

NEWMAC RESOURCES INC.
INTERIM FINANCIAL STATEMENTS
JUNE 30, 2006
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These financial statements have been prepared by management of the Company. We have compiled the interim consolidated balance sheet of Newmac Resources Inc. as at June 30, 2006 and the interim consolidated statements of loss and deficit and cash flows for the three months and nine months then ended.

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

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

**NEWMAC RESOURCES INC.
INTERIM BALANCE SHEETS**

	June 30, 2006	September 30, 2005
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 53,304	\$ 405,240
Taxes recoverable	83,269	13,247
Prepaid and deposits	1,434	453
Due from related parties	11,527	-
	149,534	418,940
PROPERTY AND EQUIPMENT (Note 4)	3,795	930
MINERAL PROPERTIES (Note 3)	1,851,727	222,273
RECLAMATION DEPOSIT	14,500	2,500
	\$ 2,019,556	\$ 644,643
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 191,537	\$ 84,127
Due to related parties (Note 5)	-	6,509
	191,537	90,636
SHAREHOLDERS' EQUITY (DEFICIENCY)		
SHARE CAPITAL (Note 6)	2,019,479	763,553
CONTRIBUTED SURPLUS	375,760	-
SHARE SUBSCRIPTIONS RECEIVED	200,339	-
DEFICIT	(767,559)	(209,546)
	1,828,019	554,007
	\$ 2,019,556	\$ 644,643

Nature and continuance of operations (Note 1)
Subsequent events (Note 8)

Approved on behalf of the Board:

"David Hjerpe"
David Hjerpe, Director

"J. William Morton"
J. William Morton, Director

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

NEWMAC RESOURCES INC.
INTERIM STATEMENTS OF (INCOME) LOSS AND DEFICIT
(Unaudited)

	For the three months ended June 30, 2006	For the three months ended June 30, 2005	For the nine months ended June 30, 2006	For the nine months ended June 30, 2005
EXPENSES				
Amortization	\$ 415	\$ -	\$ 1,135	\$ -
Foreign exchange loss	1,846	-	2,530	-
Investor relations	75,180	-	97,454	-
Management fees	15,000	7,500	37,500	22,500
Office and general	1,396	945	3,995	2,220
Professional fees	5,481	7,000	32,489	23,181
Rent	1,500	-	2,500	-
Stock based compensation	-	-	351,200	-
Transfer agent, listing, and filing fees	2,092	403	20,464	614
Travel and promotion	1,763	354	12,619	1,521
LOSS BEFORE THE FOLLOWING	104,673	16,202	561,886	50,036
Interest income	3,124	-	3,873	-
LOSS BEFORE INCOME TAX PROVISION	101,549	16,202	558,013	50,036
Recovery of future income tax asset	-	-	-	(54,450)
NET (INCOME) LOSS FOR THE PERIOD	101,549	16,202	558,013	(4,414)
DEFICIT, BEGINNING OF PERIOD	666,010	53,126	209,546	73,742
DEFICIT, END OF PERIOD	\$ 767,559	\$ 69,328	\$ 767,559	\$ 69,328
EARNINGS (LOSS) PER SHARE - Basic	\$ (0.01)	\$ (0.00)	\$ (0.06)	\$ 0.00
Weighted average number of common shares outstanding	11,344,169	4,000,001	9,673,016	4,000,001

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NEWMAC RESOURCES INC.
INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended June 30, 2006	For the three months ended June 30, 2005	For the nine months ended June 30, 2006	For the nine months ended June 30, 2005
CASH FLOWS PROVIDED BY (USED FOR):				
OPERATING ACTIVITIES				
Net income (loss) for the period	\$ (101,549)	\$ (16,202)	\$ (558,013)	\$ 4,414
Less: items not affecting cash				
Amortization	415	-	1,135	-
Stock based compensation	-	-	351,200	-
Recovery of future income tax asset	-	-	-	(54,450)
Net changes in non-cash working capital items:				
Taxes recoverable	(54,730)	(217)	(70,022)	(364)
Prepaid expenses and deposits	(839)	-	(981)	(1,904)
Accounts payable and accrued liabilities	(138,962)	4,030	107,410	17,628
Due to related parties	(371)	7,455	(18,036)	10,001
	(296,036)	(4,934)	(187,307)	(24,675)
INVESTING ACTIVITIES				
Reclamation deposit	(2,000)	-	(12,000)	-
Acquisition of property and equipment	-	-	(4,000)	-
Mineral property acquisition and exploration costs, net of \$24,560 (2005 - \$Nil) in stock option based payments	(817,831)	-	(1,585,894)	(8,204)
	(819,831)	-	(1,601,894)	(8,204)
FINANCING ACTIVITIES				
Issue of common shares	57,043	-	1,236,926	-
Share subscriptions	200,339	-	200,339	-
Deferred share issue costs	-	-	-	(10,000)
Special Warrant proceeds received	-	-	-	38,692
	257,382	-	1,437,265	28,692
INCREASE (DECREASE) IN CASH	(858,485)	(4,934)	(351,936)	(4,187)
CASH, BEGINNING OF THE PERIOD	911,789	13,671	405,240	12,924
CASH, END OF THE PERIOD	\$ 53,304	\$ 8,737	\$ 53,304	\$ 8,737
NON-CASH FINANCING AND INVESTING ACTIVITIES				
Common shares allotted for acquisition of mineral property	\$ -	\$ -	\$ 19,000	\$ 13,178
SUPPLEMENTAL DISCLOSURE				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

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

NEWMAC RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2006 (Unaudited)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on August 20, 2003 under the Company Act of British Columbia, and is involved in the acquisition, exploration and development of mineral properties located in British Columbia, Canada. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery and exploitation of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared using Canadian generally accepted accounting principals on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced recurring losses since inception and at June 30, 2006 has a working capital deficiency of \$42,003. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying value. The continuation of the Company as a going concern is dependant on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations or positive cash flows. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – BASIS OF PRESENTATION

The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The unaudited interim financial statements have been prepared in accordance with the accounting principles and policies described in the Company's annual financial statements for the year ended September 30, 2005, and should be read in conjunction with those statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine month period ended June 30, 2006 are not necessarily indicative of the results that may be expected for the year ended September 30, 2006.

NOTE 3 – MINERAL PROPERTIES

NEWMAC Property, British Columbia

By an agreement dated June 3, 2004, the Company acquired from its President, a 100% interest in six mineral claims known as the NEWMAC Property located in the Clinton Mining Division, British Columbia. The Company issued 1,000,000 common shares which have been recorded at a deemed value of \$13,178, representing the President's out-of-pocket costs. The claims are subject to a net smelter returns royalty of 2.5% to a company with a common director. The Company has the option to purchase two-fifths of the royalty (1% NSR) for \$1,000,000. The Company also owns a 100% interest in an additional claim staked.

Crazy Fox Property, British Columbia

The Company entered into an agreement on September 22, 2005 to acquire a 100% interest in the Crazy Fox Property, located 20 km northwest of Little Fort, British Columbia. The Company agreed to issue 200,000 common shares (50,000 issued) and make payments totaling \$100,000 over a 3 year period. An additional 200,000 shares will be issued to the vendors if and when a positive feasibility study is completed. A 3.0% NSR is reserved for the vendors of which 2.0% may be purchased at any time for \$2.0 million reducing the NSR to 1%. A 10% finders fee is payable with the transaction (50,000 shares of which 5,000 have been issued). The Company issued 50,000 common shares at a deemed value of \$19,000 on October 31, 2005 in relation to the acquisition of the Crazy Fox Property. On October 31, 2005 the Company also issued 5,000 common shares at a deemed value of \$1,900 as a finders fee in relation to the acquisition of the Crazy Fox Property.

Chilanko Property, British Columbia

The Company entered into an agreement on December 28, 2005 to acquire a 100% interest in the Chilanko Copper Property, located 170 km west of Williams Lake, British Columbia for \$20,000 from an unrelated individual.

NEWMAC RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2006 (Unaudited)

NOTE 3 – MINERAL PROPERTIES (Continued)

	Acquisition/ maintenance	Deferred exploration	June 30, 2006	September 30, 2005
NEWMAC Property – British Columbia				
Balance – beginning of year	\$ 17,886	\$ 194,387	\$ 212,273	\$ 137,347
Cash paid for acquisition	-	-	-	3,708
Staking and assessments	-	-	-	1,000
Administration	-	136	136	-
Aircraft and fuel	-	62,813	62,813	27,250
Assay and sampling	-	11,105	11,105	29
Drilling	-	138,541	138,541	-
Field supplies and rentals	-	7,903	7,903	3,913
Geological and field staff	-	62,174	62,174	23,510
Recording and filing fees	-	-	-	1,275
Reports and maps	-	-	-	5,193
Travel and accommodation	-	18,802	18,802	9,007
Other	-	-	-	41
Costs for the period	-	301,474	301,474	74,926
Balance – end of period	17,886	495,861	513,747	212,273
Crazy Fox Property – British Columbia				
Balance – beginning of year	10,000	-	10,000	-
Cash paid for acquisition	2,528	-	2,528	10,000
Stock issuance for property	19,000	-	19,000	-
Administration	-	5,769	5,769	-
Assay and sampling	-	62,060	62,060	-
Drilling	-	741,555	741,555	-
Field supplies and rentals	-	159,928	159,928	-
Geological and field staff	-	207,155	207,155	-
Reports and maps	-	6,010	6,010	-
Travel and accommodation	-	98,490	98,490	-
Costs for the period	21,528	1,280,967	1,302,495	10,000
Balance – end of period	31,528	1,280,967	1,312,495	10,000
Chilanko Property – British Columbia				
Balance – beginning of year	-	-	-	-
Cash paid for acquisition	21,871	-	21,871	-
Administration	-	56	56	-
Geological and field staff	-	3,225	3,225	-
Reports and maps	-	333	333	-
Costs for the period	21,871	3,614	25,485	-
Balance – end of period	21,871	3,614	25,485	-
Summary for all Properties				
Balance – beginning of year	27,886	194,387	222,273	137,347
Costs for the period	43,399	1,586,055	1,629,454	84,926
Balance – end of period	\$ 71,285	\$ 1,780,442	\$ 1,851,727	\$ 222,273

NEWMAC RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2006 (Unaudited)

NOTE 4 – PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Nine months ended June 30, 2006	Year ended September 30, 2005
Computer hardware	985	301	684	-
Website	4,000	889	3,111	930
	\$ 4,985	\$ 1,190	\$ 3,795	930

NOTE 5 – RELATED PARTY TRANSACTIONS

- a) The President of the Company is indebted to the Company in the amount of \$11,527, which was subsequently reimbursed to the Company on August 26, 2006. The Company incurred the following amounts to directors of the Company, and private companies controlled by them, during the respective periods:

	Three months ended June 30, 2006	Three months ended June 30, 2005	Nine months ended June 30, 2006	Nine months ended June 30, 2005
			\$	\$
Acquisition costs	1,296	-	1,870	-
Deferred exploration costs (recovery)	14,941	38	17,447	3,098
Investor relations	-	-	90	-
Management fees	15,000	15,000	37,500	22,500
Office and general	36	185	625	538
Travel and promotion	821	1,763	12,072	529

- b) The Company acquired its interest in the NEWMAC mineral property from its President. The Company has issued 1,000,000 common shares to the President of the Company for the acquisition of the NEWMAC mineral property, as described in Note 3. The NSR royalty interest is held by a company with a common director.
- c) Refer to Notes 6 and 7.

NOTE 6 - SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without par value.

Issued:

	Shares	Value
Issued from incorporation on August 20, 2003 to September 30, 2003	1	\$ 1
<i>Issued and allotted during the year:</i>		
- for cash at \$0.001 per share	3,000,000	3,000
- for acquisition of mineral property	1,000,000	13,178
Issued and allotted at September 30, 2004	4,000,001	\$ 16,179
<i>Issued during the year:</i>		
- for cash at \$0.25 per share, initial public offering (“IPO”)	2,760,000	690,000
- for services at \$0.25 per share issued for Agent’s fees related to IPO	30,000	7,500
- by exercise of flow-through special warrants	839,750	167,950
- by exercise of non-flow-through special warrants	153,605	30,720
- recovery of future income tax asset	-	(54,450)
- share issuance costs	-	(94,346)
Issued at September 30, 2005	7,783,356	\$ 763,553

NEWMAC RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2006 (Unaudited)

NOTE 6 - SHARE CAPITAL (Continued)

- for acquisition of Crazy Fox mineral property at \$0.38 per share	50,000	19,000
- for services at \$0.38 per share issued for finder's fees related to acquisition	5,000	1,900
- for cash at \$0.50 per share, private placement	160,000	80,000
- warrants exercised during the three month period	348,500	104,550
- share issuance costs for the three month period	-	(1,900)
Issued at December 31, 2005	8,346,856	967,103
- for cash at \$0.50 per share, private placement	130,000	65,000
- for cash at \$0.50 per share, private placement	460,589	230,295
- for cash at \$0.50 per share, private placement	80,000	40,000
- warrants exercised during the three month period	2,274,150	663,038
- share issuance costs for the three month period	-	(3,000)
Issued at March 31, 2006	11,291,595	1,962,436
- warrants exercised during the three month period	95,925	57,043
Issued at June 30, 2006	11,387,520	\$ 2,019,479

During the period ended September 30, 2004, the Company issued 3,000,000 common shares to directors at a price of \$0.001 per share for cash proceeds of \$3,000.

On December 15, 2005 the Company completed a private placement to raise gross proceeds of \$80,000. Under the terms of the offering the Company sold 160,000 units at a price of \$0.50 per unit. Each unit consists of one common share and one non-transferable share purchase warrant to purchase an additional 160,000 shares at a price of \$0.62 per share until December 14, 2006. These securities issued are subject to a 4 month hold period expiring April 16, 2006.

On January 9, 2006 the Company completed a private placement to raise gross proceeds of \$65,000. Under the terms of the offering the Company sold 130,000 flow-through common shares at \$0.50 per share. These securities issued are subject to a 4 month hold period expiring May 10, 2006. The Company paid finder's fees of \$3,000 on a portion of the flow-through private placement.

On January 27, 2006 the Company completed a private placement to raise gross proceeds of \$230,295. Under the terms of the offering the Company sold 460,589 units at a price of \$0.50 per unit. Each unit consists of one common share and half a non-transferable share purchase warrant to purchase an additional 230,297 shares at a price of \$0.62 per share until January 27, 2007. These securities issued are subject to a 4 month hold period expiring May 28, 2006.

On February 15, 2006 the Company completed a private placement to raise gross proceeds of \$40,000. Under the terms of the offering the Company sold 80,000 units at a price of \$0.50 per unit. Each unit consists of one common share and half a non-transferable share purchase warrant to purchase an additional 40,000 shares at a price of \$0.62 per share until February 17, 2007. These securities issued are subject to a 4 month hold period expiring June 16, 2006.

Subsequent to the end of the period, on July 28, 2006 the Company completed a private placement to raise gross proceeds of \$189,887. Under the terms of the offering the Company sold 379,773 units at a price of \$0.50 per unit. Each unit consists of one common share and one non-transferable share purchase warrant to purchase an additional common share at a price of \$0.50 per share until July 25, 2007. These securities issued are subject to a 4 month hold period expiring November 28, 2006.

At June 30, 2006, 3,187,502 shares (2004 – nil) are held in escrow, which are governed by the provision of the Canadian Securities Regulators National Policy 46-201 as to the restrictions imposed on the escrow shares. Pursuant to the policy, the escrow shares will be released pro rata to the holders as to 10% thereof of the original amount on the date of listing of the Company's shares on the TSX Venture Exchange, and a further 15% on each of the dates 6, 12, 18, 24, 30 and 36 months following the initial release. During the nine months ended June 30, 2006, 637,499 shares were released from escrow.

Share purchase warrants are outstanding to acquire 915,722 common shares as follows: 23,850 share purchase warrants to acquire 23,850 common shares exercisable at a price of \$0.25 per share on or before September 9, 2006; 548,500 share purchase warrants to acquire 548,500 common shares exercisable at a price of \$0.35 per share up to September 9, 2006; 160,000 share purchase warrants to acquire 160,000 common shares exercisable at a price of \$0.62 per share on or before December 14, 2006; 143,372 share purchase warrants to

NEWMAC RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2006 (Unaudited)

acquire 143,372 common shares exercisable at a price of \$0.62 per share on or before January 27, 2007; and 40,000 share purchase warrants to acquire 40,000 common shares exercisable at a price of \$0.62 per share on or before February 15, 2007.

Effective August 15, 2005, the Company adopted the 2005 Stock Incentive Plan (the "Plan"). The total number of shares of stock which may be offered under, or issued under, options granted pursuant to the Plan shall not exceed 1,638,091 common shares. The number and terms and conditions of options which may be issued to certain individuals is limited as required by the TSX Venture Exchange. No options may be granted under the Plan after August 15, 2015.

During the nine month period the Company granted stock options under the Plan to officers, directors, and outside consultants to purchase 1,280,000 common shares as follows: 750,000 at a price of \$0.25 per share exercisable for a period of 5 years, 200,000 at a price of \$0.50 per share exercisable for a period of 5 years, 150,000 at a price of \$0.50 per share exercisable for a period of 1 year, 100,000 at a price of \$0.54 per share exercisable for a period of 1 year, and 80,000 at a price of \$0.54 per share exercisable for a period of five years. All of the options vested immediately.

The fair value of the options granted during the period has been estimated using the Black-Scholes option pricing model. Of the \$375,760 fair value of options recorded during the nine month period, \$24,560 has been included as geological consulting and services in resource property costs and the balance of \$351,200 charged to stock based compensation expense.

Assumptions used in the option pricing model are as follows:

Average risk-free interest rate	3.89%
Expected life	5 years
Expected volatility	48.50%
Expected dividends	Nil

NOTE 7 – SPECIAL WARRANT PROCEEDS

The Company issued a total of 839,750 Flow-Through Special Warrants and 108,530 Non-Flow-Through Special Warrants at a price of \$0.20 per Special Warrant to net the Company proceeds of \$189,656. The Special Warrants were exercised into one common share of the Company, for no additional consideration, on the fifth business day after the receipt of acceptance of the Company's final prospectus. A director and two relatives of that director subscribed for 260,000 Flow-through Special Warrants for proceeds of \$52,000.

NOTE 8 – SUBSEQUENT EVENTS

- a) On July 28, 2006 the Company completed a private placement to raise gross proceeds of \$189,887. Under the terms of the offering the Company sold 379,773 units at a price of \$0.50 per unit. Each unit consists of one common share and one non-transferable share purchase warrant to purchase an additional common share at a price of \$0.50 per share until July 25, 2007. These securities issued are subject to a 4 month hold period expiring November 28, 2006.