

BRETT RESOURCES INC.

Consolidated Financial Statements

**2nd Quarter
for February 28, 2006 and 2005**

BRETT RESOURCES INC.
Consolidated Financial Statements
As at February 2006

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

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

"Thomas Hasek"

Thomas Hasek
President and CEO

Vancouver, British Columbia
April 2006

"Robert V. Matthews"

Robert V. Matthews
Chief Financial Officer

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

BRETT RESOURCES INC.
Consolidated Balance Sheets (note 2)
Unaudited – prepared by management

	February 28, 2006	August 31, 2005
Assets		
Current		
Cash and cash equivalents	\$ 620,746	\$ 322,260
Accounts receivable	8,192	523
Prepaid expenses and deposits	1,000	1,000
	629,938	323,783
Investment in Mineral Properties (note 6)	155,977	100,002
Office Equipment, net	1,836	-
	\$ 787,751	\$ 423,785
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 20,124	\$ 28,272
Shareholders' Equity		
Capital Stock (note 7)	11,047,256	10,624,910
Share Subscription Receivable (notes 7 and 8)	(21,000)	(21,000)
Contributed Surplus (note 7)	252,506	91,550
Deficit	(10,511,135)	(10,299,947)
	767,627	395,513
	\$ 787,751	\$ 423,785

Approved on behalf of the Board:

“Ronald K. Netolitzky”

.....
 Ronald K. Netolitzky

“Thomas Hasek”

.....
 Thomas Hasek

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

BRETT RESOURCES INC.
Consolidated Statements of Operations and Deficit
Unaudited – prepared by management

	For the three months ended February 28		For the six months ended February 28	
	2006	2005	2006	2005
Administrative Expenses				
Property evaluations	\$ 22,876	\$ 61,539	\$ 26,841	\$ 194,337
Professional fees	809	31,782	20,445	55,882
Consulting fees	30,100	7,500	51,455	15,000
Investor relations	3,000	-	4,450	-
Listing and transfer agent fees	9,400	9,733	13,073	10,381
Rent and administration	4,375	3,409	6,475	6,860
Shareholders' communications	4,448	6,133	4,807	8,828
Office and miscellaneous	3,105	-	4,274	-
Stock-based compensation (note 7)	-	-	84,172	-
Amortization	169	340	338	680
Loss before other items	(78,283)	(120,436)	(216,331)	(291,968)
Other Items				
Interest income	3,414	1,446	5,142	3,843
Mineral properties written-off	-	-	-	(8,337)
	3,414	1,446	5,142	(4,494)
Net Loss for Period	(74,868)	(118,990)	(211,188)	(296,462)
Deficit, Beginning of Period	(10,436,26	(9,905,868	(10,299,94	(9,728,396)
Deficit, End of Period	\$ (10,511,13	\$ (10,024,85	\$ (10,511,13	\$ (10,024,85
Loss Per Share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted Average Number of Shares Outstanding	19,150,939	18,661,475	19,399,569	18,661,475

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

BRETT RESOURCES INC.
Consolidated Statements of Cash Flows
Unaudited – prepared by management

	For the three months ended February 28		For the three months ended February 28	
	2006	2005	2006	2005
Operating Activities				
Net loss	\$ (74,868)	\$ (118,990)	\$ (211,188)	\$ (296,462)
Items not involving cash				
Mineral properties written off	-	-	-	8,337
Stock-based compensation	-	-	84,172	-
Amortization	169	340	338	688
Changes in Non-Cash Working Capital				
Accounts receivable	(4,552)	15,524	(7,669)	13,814
Accounts payable and accrued	(38,513)	(30,204)	(8,148)	(33,809)
Cash Used in Operating Activities	(117,764)	(133,330)	(142,495)	(307,440)
Financing Activities				
Proceeds on issuance of capital stock	169,130	-	494,160	-
Proceeds on option of property	61,920	-	61,920	-
Cash Provided by Financing Activities	231,050	-	566,080	-
Investing Activities				
Acquisition of mineral property	(10,214)	-	(50,746)	-
Expenditures on mineral properties	(26,128)	(16,921)	(62,179)	38,353
Office equipment	-	-	(2,174)	-
Cash provided by (used in) investing	(36,342)	(16,921)	(115,099)	38,353
Inflow (outflow) of cash	76,944	(150,251)	298,486	(269,087)
Cash & cash equivalents, beg. of period	543,802	469,579	322,260	588,415
Cash & cash equivalents, end of period	\$ 620,746	\$ 319,328	\$ 620,746	\$ 319,328
Non-cash items				
Issuance of shares for property	\$ -	\$ -	\$ -	\$ -
Issuance of shares for commission	\$ -	\$ -	\$ -	\$ -
Supplemental cash information				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

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

BRETT RESOURCES INC.
Notes to Consolidated Financial Statements
February 28, 2006 and 2005

1. INCORPORATION AND NATURE OF OPERATIONS

The Company was incorporated under the Company Act of British Columbia on September 11, 1986. The Company's principal business activity is the exploration for and development of natural resource properties.

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company operates primarily in the mining industry. The Company is in the exploration stage with respect to its mineral property interests and has not, as yet, achieved any commercial production.

These financial statements are prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The recoverability of the amounts shown for mineral property interests is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development of the properties, the timing of legislative or regulatory developments relating to environmental protection, and upon future profitable operations or proceeds from the disposition thereof.

	February 28	August 31
	2006	2005
Working capital	\$ 609,925	\$ 295,511
Deficit	(10,511,135)	(10,299,947)

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiaries Gridiron Exploration Ltd. (British Columbia), Compania Minera Magallanes S.A. (Peru) and Brett Resources El Salvador, S.A. de C.V., formerly Exploracion Lucero S.A. de C.V., (El Salvador). All significant intercompany balances and transactions are eliminated.

Cash and cash equivalents

Securities with original maturities of three months or less are considered to be cash equivalents.

Deferred expenditures

The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties, net of all incidental revenues received. At such time as commercial production commences, these costs are charged to operations on a unit-of-production method based on estimated recoverable reserves. When there is little prospect of further work on a property being carried out by the Company, the costs of that property are charged to operations.

BRETT RESOURCES INC.
Notes to Consolidated Financial Statements
February 28, 2006 and 2005

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenues and expenses (excluding amortization, which is at the same rate as the related asset), at the average rate of exchange for the year.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the year.

Loss per share

Loss per share computations are based on the weighted average number of common shares outstanding during the year. Diluted loss per share has not been presented, as the effects are anti-dilutive.

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets the Company is required to settle. This would include obligations related to future removal of property and equipment, and site restoration costs. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The adoption of this accounting policy has not affected the Company's financial statements.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change in tax rates is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is likely to be realized. The Company records income taxes at the corporation's year-end.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

Stock-based compensation

The Company accounts for stock options granted to directors, employees and consultants using the fair value method. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model charged to operations over the vesting period with a corresponding increase in contributed surplus. Upon exercise of the stock options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to capital stock.

Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

4. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short maturity of these financial instruments.

Interest rate risk

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

Credit risk

The Company is not exposed to significant credit risk.

Currency risk

The Company is exposed to foreign currency fluctuations to the extent that mineral property expenditures incurred by the Company are not denominated in Canadian dollars.

5. REALIZATION OF ASSETS

The Company's investment in mineral properties comprises a significant portion of the Company's assets. Realization of the Company's investment in these properties is dependent on establishing legal ownership of the properties, and on the attainment of successful commercial production or from the proceeds of disposal.

BRETT RESOURCES INC.
Notes to Consolidated Financial Statements
February 28, 2006 and 2005

6. INVESTMENT IN MINERAL PROPERTIES

	Other	El Salvador	Peru	Canada	Alaska, US	Total
Balance,						
August 31, 2004	\$ 212,250	\$ 200,000	\$ -	\$ -	\$ -	\$ 412,250
Additions	25,361	-	-	-	-	25,361
Option payments						
Received	-	(182,611)	-	-	-	(182,611)
Option payments credited to						
Income	-	82,612	-	-	-	82,612
Write-downs	(237,610)	-	-	-	-	(237,610)
Balance,						
August 31, 2005	\$ 1	\$ 100,001	\$ -	\$ -	\$ -	\$ 100,002
Additions	-	18,655	38,451	13,982	41,837	112,925
Option payments	-	(56,950)	-	-	-	(56,950)
Write-downs	-	-	-	-	-	-
Balance,						
February 28, 2006	\$ 1	\$ 61,706	\$ 38,451	\$ 13,982	\$ 41,837	\$ 155,977

El Salvador

Santa Clara/Gaspar/Cerro Bonito: The Company held 100% of two exploration licenses on this gold-silver project located in eastern El Salvador. On August 1, 2002, the Company entered into a joint venture agreement ("JV") on the project with Pacific Rim Mining Corp. ("Pacific Rim") and under the JV, the Company's two licenses were terminated, and two new licenses (totalling 82 square kilometres) were granted to the JV operator under the new mining laws of El Salvador. The JV operator did not meet their obligations to vest in the JV and terminated the agreement in late 2003. According to the terms of the JV, the new licenses were to be returned to the Company; however, the Ministry of Mines in El Salvador did not approve this transfer. In late 2004, the Company re-applied for one new exploration license covering the remaining prospective ground. In February 2005, Brett entered into a letter agreement with Wealth Minerals Ltd. ("Wealth"), allowing Wealth the right to acquire a joint venture interest in the project, but this agreement was not finalized as the time frame outlined in the letter agreement expired prior to completion of all definitive documentation. In June 2005, the Ministry of Mines in El Salvador approved this new 47 square kilometre license, the Cerro Bonito License.

In 2004, management wrote down its costs at Santa Clara/Gaspar to \$100,000.

On January 4, 2006, the Company entered into an agreement whereby Placer Dome Exploration acquired an option to earn up to an 80% interest in the Cerro Bonito licence in Eastern El Salvador. Terms call for US \$200,000 in payments over 3 years (\$50,000 upon signing paid) and \$4,000,000 in expenditures over 4 years to earn the first 70% interest. The additional 10% may be earned within the succeeding four years by funding a feasibility study spending not less than \$1,000,000 per year until completion of the feasibility study at which point it will convert to a joint venture.

BRETT RESOURCES INC.
Notes to Consolidated Financial Statements
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6. INVESTMENT IN MINERAL PROPERTIES (Cont'd)

El Salvador (Cont'd...)

El Potosi: The Company holds 100% of the rights to the 48 square kilometres El Potosi area, located 90 kilometres east of the capital city of San Salvador.

During the year ended August 31, 2002, the Company entered into an agreement with Tournigan Ventures Corporation ("Tournigan") whereby Tournigan has an option to acquire a 100% interest in the El Potosi concession by making payments as follows:

- US \$25,000 within 30 days of signing the agreement (received);
- US \$25,000 on the first anniversary (received);
- US \$50,000 on the second anniversary (received);
- US \$100,000 on the third anniversary (received); and
- US \$1,250,000 on the fourth anniversary (August 31, 2006)

Tournigan can delay payment of the final US \$1,250,000 payment until the fifth anniversary of the agreement by paying the Company US \$150,000 on the fourth anniversary date. The Company will retain a 1% net smelter royalty ("NSR") on production of gold and silver in excess of 200,000 ounces.

In 2004, management wrote down its costs at El Potosi to \$100,000. The third and fourth option payments totalling \$182,611 were received during the year ended August 31, 2005. The Company applied \$99,999 of the option payments against the carrying value of the property. The remaining \$82,612 received in excess of the carrying value was credited to operations. The El Potosi property is now recorded at a nominal value of \$1.

In February 2004, Tournigan assigned the option of El Potosi to Condor Resources Limited ("Condor"). The third and fourth option payments were made by Condor.

In October 2005, Condor commenced a diamond drilling program on the property.

Peru

Cerro Condorini: On January 16, 2006, the Company acquired, by staking, a 100% interest in a high grade silver, lead and zinc prospect in southern Peru.

Alaska

Sleitat: On August 17, 2005, the Company entered into a Letter of Intent ("LOI") to form a joint venture with Solomon Resources Limited ("Solomon"), a related party with common directors, on Solomon's 100% owned Sleitat Mountain tin-silver-tungsten deposit in southwest Alaska. The 3,520-acre Sleitat Mountain project is located approximately 135 kilometres northeast of the coastal town of Dillingham.

Under the terms of the LOI, the Company can acquire an 80% interest in the Sleitat Mountain property by issuing 1,000,000 shares of the Company to Solomon over a four-year period upon exchange approval, the Company issued 200,000 shares to Solomon. Subsequently, the Company will issue an additional 200,000 shares on each anniversary date of the LOI, as long as the Company has not terminated its interest in the

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project. Upon the Company vesting at 80% in the project, further exploration or development expenditures will be shared 80/20, unless a given party dilutes to less than a 10% participating interest. In such a case, that party would retain only a 1% NSR on subsequent production of any metals from the property. The Company conducted initial geological and geochemical verification work in September 2005 to complete a technical report on the property, by a qualified person as defined under National Instrument 43(101), as required by the Exchange to approve the transaction.

Coal Creek: On January 11, 2006, the Company acquired by staking claims, a 100% interest in tin prospects in the Alaska Range foothills.

Canada

Seagull Creek Property: The Company holds the Bro claims, consisting of 26 contiguous claims, located at Watson Lake, Yukon. During the year ended August 31, 2004, the Company relinquished 100% of its interest in the remaining four claims.

Smart Group: On October 4, 2005, the Company acquired by staking, a 100% ownership of the JC tin deposit in south-central Yukon. Four claim groups totalling 32 claims (668 hectares) were recently staked in the Smart River area 195 kilometres southeast of Whitehorse, Yukon and 26 kilometres north of Kilometre 1,206 on the Alaska Highway.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of shares	Capital stock	Contributed surplus
Authorized 100,000,000 common shares without par value			
Issued			
As at August 31, 2004	18,661,475	\$ 10,624,910	\$ 91,550
As at August 31, 2005	18,661,475	\$ 10,624,910	\$ 91,550
For cash:			
Private placement, net of issue costs	2,137,999	419,046	76,784
Exercise of Options	16,500	3,300	-
Stock based compensation	-	-	84,172
As at February 28, 2006	20,815,974	\$ 11,047,256	\$ 252,506

Private placements

During fiscal 2004, the Company completed a private placement of 3,344,999 units at a price of \$0.30 per unit. Each unit consists of a share and one non-transferable share purchase warrant convertible into one share at \$0.40 per share for one year, expiring January 13, 2005 (subsequently extended to February 2, 2006). In conjunction with this private placement, the Company issued 37,500 units to the brokers on the

BRETT RESOURCES INC.
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same terms as the private placement and granted an additional 75,000 agent's options warrants on the same terms as the warrants on the private placement.

During fiscal 2004 the Company issued 50,000 shares as an option payment on the La Frontera property and 200,000 shares as option payments on the Honduran properties.

On October 6, 2005, the Company completed a private placement of 1,650,000 units at \$0.20 per unit for gross proceeds of \$330,000. Each unit consists of one common share and one-half of a non-transferable share purchase warrant entitling the holder to acquire one common share within two years of issuance. Each full share purchase warrant will be exercisable at \$0.30 per share in year one and at \$0.40 per share in year two. Commissions on a portion of the placement payable were \$4,970 cash and 35,500 broker warrants exercisable at \$0.30 per share for a period of one year.

On December 30, 2005, the Company completed a private placement of \$170,800 and issued 488,000 flow through shares at \$0.35 per share.

As part of its reorganization plans, the Company granted 815,000 options to newly appointed directors, employees and consultants, exercisable for a five-year period at \$0.25 per share.

Share Subscription Receivable

A portion of the amount due for these shares (\$21,000) is still owing to the Company and subsequent to the quarter, the Company was paid by the past director.

Stock options and warrants

The Company has a stock option plan 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 stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, August 31, 2004	1,425,000	\$ 0.28	5,932,499	\$ 0.28
Granted	-	-	-	-
Exercised	-	0.20	-	-
Expired/cancelled	<u>(225,000)</u>	0.30	<u>(2,475,000)</u>	0.28
Outstanding, August 31, 2005	1,200,000	\$ 0.27	3,457,499	\$ 0.40
Granted	815,000	0.25	860,500	0.30
Exercised	(16,500)	0.20	-	-
Expired/cancelled	<u>(98,500)</u>	0.24	<u>(3,457,499)</u>	0.40

BRETT RESOURCES INC.
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Outstanding, November 30, 2005	1,900,000	\$	0.26	860,500	\$	0.30
Number currently exercisable	1,862,500	\$	0.26	860,000	\$	0.30

As at February 28, 2006, incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	574,999	\$ 0.30	June 11, 2007
	333,501	0.20	June 16, 2008
	191,500	0.30	August 3, 2009
	800,000	0.25	October 18, 2010
Warrants	825,000	0.30	October 7, 2006
		then at 0.40	October 7, 2007
	35,500	0.30	October 7, 2006

Stock-based compensation

On October 18, 2005, the Company granted 815,000 options to consultants, officers and directors. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations was \$84,172 and the weighted average fair value of options granted was \$0.16 per share. This amount was also recorded as contributed surplus on the balance sheet. There were no options granted in fiscal 2005.

The following weighted average assumptions were used for the valuation of stock options and share purchase warrants:

	2005
Risk-free interest rate	3.67%
Expected life of options and/or warrants	2 years
Annualized volatility	72%
Dividend rate	0.00%

8. RELATED PARTY TRANSACTIONS

- a. During the period the Company engaged in the following transactions with related parties:

BRETT RESOURCES INC.
Notes to Consolidated Financial Statements
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- b. Geological services and management fees of \$41,805 (2005 - \$15,000) were performed by directors and an officer (included on the statement of operations as consulting fees.)
- c. Geological services of \$4,000 (2005 - \$78,865) were performed by a director and officer (included on the statement of operations as property evaluation costs); and
- d. Geological services of nil (2005 - \$7,642) were performed by a director (included on the statement of operations as professional fees);
- e. Accounting and administration services of \$7,000 (2005 - \$8,500) were provided by a company with a common officer (included on the statement of operations as consulting fees);
- f. Rent and administration services of \$6,475 (2005 - \$6,000) were provided by a company with a common officer;
- g. Accounts payable and accrued liabilities included \$9,115 (2005 - \$19,039) owed to directors and officers of the Company; and
- h. At November 28, 2006, \$21,000 (2005 - \$21,000) was due from a past director for a portion of his participation in the 2004 private placement and has been shown as a reduction of equity. This amount was subsequently paid in the next quarter.

9. SUBSEQUENT EVENTS

Subsequent to the quarter, the Company:

- a. entered into an agreement with Kinross Gold Corporation to earn up to a 60% interest in the Hammond Reef gold property near Atikokan, Ontario and issued 200,000 common shares of the Company valued at \$68,000, the first of 5 instalments to total 1,000,000 common shares. The Company is committed to expend a total of US\$5,000,000 on exploration and development of the property within four years with US\$1,000,000 to be spent in the first year.
- b. granted 200,000 incentive stock options at \$0.50 to certain employees and consultants for a period of five years until March 20, 2011.
- c. entered into an agreement to acquire the 90 hectare Manley Patents, a group of three patented mining claims covering some of the original high grade operations within the Hammond Reef property (see subsequent note 1). The Company is required to issue 250,000 common shares over a three-year period, with the first 100,000 to be delivered upon formal signing.
- d. Collected an outstanding share subscription receivable of \$21,000 on a 2004 financing from a past director.
- e. issued 174,417 common shares on exercise of warrants from October 7, 2005 financing for proceeds of \$50,658.
- f. issued 274,833 common shares on exercise of options for proceeds of \$74,133.

BRETT RESOURCES INC.
FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS – 2ND QUARTER OF FISCAL 2006

The following Management Discussion and Analysis (“MD&A”), prepared as of *April 26, 2006*, should be read in conjunction with the Company’s interim consolidated financial statements for the quarter ended February 28, 2006 as well as the Company’s audited consolidated financial statements, related notes and annual MD&A for the year ended August 31, 2005. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all numbers are reported in Canadian dollars, unless otherwise noted.

This information may contain forward-looking statements that involve inherent risks and uncertainties. The Company’s actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

Description of Business and Overall Performance

Brett Resources Inc. (hereinafter referred to as “Brett” or the “Company”) is a mineral exploration stage corporation company. The Company’s main properties are located in Latin America, Canada and Alaska. Brett and its wholly owned subsidiary, Gridiron Exploration Ltd., conduct their activities through local subsidiary companies. The Company is a reporting issuer in British Columbia, Alberta, and Saskatchewan and trades on the TSX Venture Exchange under the symbol BBR.

In December 2005, the Company completed a non-brokered flow-through private placement financing to raise \$170,800 by issuing 488,000 common shares to accredited investors. There were no finders’ fees paid.

In March 2006, the Company granted 200,000 incentive stock options to certain employees and consultants exercisable at \$0.50 per share for a period of 5 years. Options granted to one individual are subject to a vesting formula.

Quarterly results

In the second quarter ended February 28, 2006, the Company had a net loss of \$14,030 as compared to a net loss of \$118,990 for the same quarter in fiscal 2005. The following discussion explains the variations in the key components of these numbers, but as with most junior exploration companies the results of operations are not the main factor in establishing the financial health of the company. Of far greater significance are the properties the company has, its working capital and how many shares it has outstanding.

The Company’s general and administrative expenses are averaging \$30,000 to \$40,000 a quarter before property expenditures. Consulting fees of \$30,100 (2005 - \$7,500) were performed by directors and an officer during the period. Other general and administrative costs for office rent and administration of \$4,375 (2005 - \$3,409), professional fees \$809 (2005 - \$31,782; of note, audit charges of \$12,000 were recorded in 2nd quarter last year).

Property evaluations in the current quarter were \$22,876 (2005 - \$61,539).

Liquidity and capital resources

The Company relies on the capital markets and the economic trends to generate funds to finance operations and explorations.

When acquiring mineral properties the Company will sometimes issue its own stock to the vendor of the property as partial or full consideration for the property.

On February 2, 2006, a total of 3,457,999 warrants including 112,500 agents' warrants from a 2004 financing, exercisable at \$0.40 per share expired unexercised.

No funds were raised in the 2005 fiscal year. During the first and most recent quarter, of fiscal 2006 the Company raised \$330,000 through the private placement of 1,650,000 units. A second private placement in the second quarter raised \$170,800 and issued 488,000 flow-through shares.

The Company spent \$76,583 (2004 - \$25,361) in mineral property expenditures in the most recent quarter. These expenditures are disclosed in the following section in the mineral property table.

At February 28, 2006 the Company had no long-term debt or other commitments. Its working capital was \$609,814 including \$543,802 in cash and cash equivalents. The funds are considered sufficient to cover the cost of operating the Company for the next year. However any substantial exploration program or property acquisition would require additional funding.

Summary of Quarterly Results

The following tables report selected financial information of the Company for the past eight quarters.

Quarter ended	28-Feb-06	30-Nov-05	31-Aug-05	31-May-05
Capitalized property acquisition and exploration costs	\$ (20,608) ⁽¹⁾	\$ 76,583	\$ (265,559) ⁽⁴⁾	\$ -
Revenue ⁽⁵⁾	-	-	-	-
Loss for the quarter	\$ (14,030) ⁽²⁾	\$ (136,320) ⁽³⁾	\$ (198,874) ⁽⁵⁾	\$ (76,215)
Loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)

Quarter ended	28-Feb-05	30-Nov-04	31-Aug-04	31-May-04
Capitalized property acquisition and exploration costs	\$ 16,922	\$ (63,611)	\$ (1,001,516)	\$ 83,980
Revenue ⁽⁴⁾	-	-	-	-
Loss for the quarter	\$ (118,990)	\$ (177,472)	\$ (1,256,518) ⁽⁶⁾	\$ (136,332)
Loss per share	\$ (0.00)	\$ (0.01)	\$ (0.07)	\$ (0.01)

Summary of quarterly results (cont'd...)

- (1) includes \$56,950 CAD equivalent of \$50,000 US, option payment from Placer Dome Exploration Inc. (now Barrick Gold Corporation) for Santa Clara property.
- (2) includes \$ 60,839 future income tax recovery from renounced expenditures flowed through to investors.
- (3) includes \$ 84,172 stock-based compensation.
- (4) includes \$ 237,610 in mineral property write-offs.
- (5) includes \$ 74,640 stock based compensation.
- (6) includes \$ 1,010,094 in mineral property write-offs.
- (7) being in the exploration stage the company does not have revenues from operations.

Mineral properties and expenditures

At February 28, 2006, the Company's mineral properties and expenditures thereon were as follows:

	JC PROP	SLEITA T MTN.	COAL CREEK	S.CLARA /GASPAR	CONDORI NI	NICARA - GUA	TOTAL
BALANCE, AUG.31, 2005	\$ -	\$ -	\$ -	\$ 100,001	\$ -	\$ 1	\$ 100,002
LAND COSTS	10,683	4,204	26,029	-	9,831	-	50,747
ANALYTICAL SERVICES	-	1,886	-	-	3,397	-	5,283
DRILLING / TRENCHING	-	562	-	-	-	-	562
FIELD SUPPORT	-	-	-	5,016	6,183	-	11,199
GEOLOGY / GEOPHYSICS	-	3,365	1,350	11,601	7,762	-	24,078
LOCAL OFFICE & LEGAL	-	-	-	-	4,356	-	4,356
MAPS AND REPORTS	-	33	-	-	-	-	33
TRAVEL/TRANSPORT COSTS	3,299	3,901	505	2,039	6,923	-	16,667
CURRENT YEAR EXPENDITURES	13,982	13,951	27,884	18,656	38,452	-	112,925
TOTAL EXPENDITURES	13,982	13,951	27,884	118,657	38,452	1	212,927
WRITE OFF OF MINERAL PROPERTY INTERESTS	-	-	-	-	-	-	-
RECOVERY	-	-	-	(56,950)	-	-	(56,950)
BALANCE, FEB. 28, 2006	\$ 13,982	\$13,951	\$27,884	\$ 61,707	\$ 38,452	\$ 1	\$ 155,977

Santa Clara, El Salvador: In January 2006, Placer Dome Exploration Inc., ("Placer") acquired an option to earn up to an 80 % interest in the Cerro Bonito license, the Company's wholly owned Santa Clara Property in eastern El Salvador. The terms of the agreement call for payments totaling US\$200,000 over 3 years, with \$50,000 upon signing (paid), and \$4,000,000 in expenditure staged over four years to earn the first 70% interest. The additional 10% may be earned within the succeeding four years by funding a feasibility study and spending not less than \$1,000,000 per year until completion of the feasibility study. Upon completion of the feasibility study, a joint venture entity would be formed with Brett required to maintain its 20% with proportional contributions from that point. Placer has subsequently been taken over by Barrick Gold Corporation, who have assumed all the obligations of the agreement. A drill program budgeted for \$250,000 US is scheduled to commence.

Sleitat, Alaska: An NI 43-101 technical report was filed on SEDAR's website for Sleitat Mountain Tin-Silver-Tungsten, a property optioned from Solomon Resources Limited ("Solomon") who owns 100% of the property, located approximately 135 km northeast of the coastal town of Dillingham.

The deposit is exposed in a saddle on Sleitat Mountain, where tin, tungsten, and silver occur in an east-west trending, steeply dipping greisen zone that extends nearly 1 kilometre along trend. The mineralized greisen varies from 30 to 240 metres wide and, based on results of drilling by Cominco in 1989, extends to a minimum depth of 90 metres. A 826 kg bulk sample collected and analyzed by the US Bureau of Mines and reported by Alaska State Department of Natural Resources geologist Robert Burleigh in 1991 assayed 0.37% tin, 17 g/t silver and 432 ppm tungsten. Cominco drilling results include a 29.4 meter intersection of 1.6% tin (including 3.1 metres grading 12.6% tin and 198 g/t silver).

Coal Creek, Alaska: The Company has acquired a 100% interest in the Coal Creek tin prospect in the foothills of the Alaska Range by staking State claims. Located 200 kilometres due north of Anchorage, the property lies 8 kilometres west of Hurricane rail station, just west of the Parks Highway between Anchorage and Fairbank.

The 971 ha (2,400 acres) property covers an area that was subject to an intensive exploration program between 1982 and 1988 by a joint venture of Houston International Minerals Corporation and Billiton Exploration U.S.A. Inc., including 42

Mineral properties and expenditures (cont'd...)

diamond drill holes to depths of up to eight hundred feet. Most of the core is archived in the State operated storage facility near Anchorage, and may provide guidance for future work. The previous work included an inferred resource estimate of five million tons at a grade of 0.27% Sn (1982 unpublished Field Report - Houston International Minerals) with "important" silver credits along with possible fluorine, zinc, and tungsten credits. There is also excellent potential for defining smaller, higher-grade resources in nearby skarn deposits. Intercepts such as 0.25% Sn with 16g Ag over 140' in hole DDH 32 are typical as the basis for this estimate. These figures are historical and are not N.I. 43-101 compliant. The data assembled to date covers most of the significant drill intercepts and locations, and while only appropriately verified selections may be included in future resource assessments, the data as a whole will provide a useful database for planning further exploration. Preliminary metallurgical analysis of selected core samples indicated that the tin mineralization could readily be liberated from the gangue materials, and that the mineralized drill intercepts investigated had good potential for the production of a high-grade tin concentrate.

Cerro Condorini, Peru: In January 2006, the Company acquired, by staking, a 100% interest in this prospect in southern Peru. A program of 55 samples were collected.

Hammond Reef, Canada: In March 2006, the Company entered into an agreement with Kinross Gold Corporation ("Kinross") to earn up to a 60% interest in Kinross' historically important, Hammond Reef gold property near Atikokan, Ontario. The terms of the option agreement require the Company to expend a total of US\$5,000,000 on exploration and development of the property within four years of execution, with US\$1,000,000 to be spent in the first year; and to issue to Kinross a total of 1,000,000 shares of the Company in five equal tranches, the first 200,000 common shares were issued upon execution and the rest to be issued on each anniversary thereof. Upon exercise of the option on the fourth anniversary, a 60/40 participating joint venture will be formed to further develop the property. At that time Kinross will have a one time opportunity to earn back 20% and the right to operate the project, by electing to fund 100% of the next US\$5,000,000 in expenditures.

Manley Patents, Canada: The Company entered into an agreement to acquire the 90 hectare Manley Patents, a group of 3 patented mining claims situated entirely within the Kinross Hammond Reef property (see above). Now amalgamated with the Kinross property and covered by the option agreement with Kinross to acquire a 60% interest in the Hammond Reef project, this inclusion of the Manley Patents has closed a significant gap in the land position and now allows for a rationalization of exploration along the gold bearing Hammond Reef Schist Zone, of which 500 metres strike length is covered by the Manley Patents. Under the terms of the option agreement, the Company will issue the vendor, 250,000 common shares of the Company over a 3 year period, with the first 100,000 issued at the execution. The vendor will retain a 2% Net Smelter Return royalty, one half of which may be purchased for \$500,000.

The Company's agreement with Kinross Gold Corporation and the vendor of Manley Patents are as follows:

	SHARE ISSUANCES TO KINROSS	SHARE ISSUANCES TO MANLEY PATENTS VENDOR	EXPENDITURES (EXPLORATION COMMITMENTS) US\$
March 1, 2006	200,000 issued		
May 1, 2006 ⁽¹⁾		100,000	\$ 1,000,000
March 1, 2007 ⁽²⁾	200,000	50,000	\$ 1,000,000
March 1, 2008	200,000	50,000	\$ 1,000,000
March 1, 2009	200,000	50,000	\$ 1,000,000
March 1, 2010	200,000		\$ 1,000,000
	1,000,000	250,000	\$ 5,000,000

- (1) Projected date of issuance pending receipt of final documentation from vendor – regulatory approval has been received.
- (2) Assumption made that dates of issuance to Manley Patents vendor will correspond with Kinross anniversary dates of share issuances.

Smart Group, Canada: Exploration budgets are currently being reviewed on the JC Tin deposit in south-central Yukon for a drill program this year.

Transactions with related parties

In mid October 2005, new management and directors were installed. Details of the corporate restructuring were explained in the annual MD&A and a news release dated October 18, 2005.

An officer of the Company provides accounting and administrative services through a private company. Total charges in the second quarter were \$5,750 as compared to \$4,000 for last year's quarter.

Geological consulting services and management services were provided to the Company by various directors charging a total of \$24,350 for the most recent quarter and includes \$15,000 paid to the President at a rate of \$5,000 a month.

Rent and administration services are charged on a shared cost basis among several companies. Brett paid \$2,700 in the most recent quarter (2004 - \$3,000).

In fiscal 2004, a past director participated in one of the Company's private placement for 100,000 shares. At February 28, 2006 a portion of the amount due for these shares (\$21,000) was still owing to the Company. During March 2006, the Company collected the share subscription receivable from the past director.

Other Management's Discussion and Analysis

Additional disclosure for venture issuers without significant revenue:

Capital Stock and Distributed Surplus as at April 26, 2006:

Authorized:

Unlimited common shares without par value

Issued:

20,815,974 common shares with a recorded value of \$11,047,256 and contributed surplus of \$252,506 for a total combined capitalization of \$11,278,762 (net of a \$21,000 share subscription receivable).

Warrants:

825,000 exercisable at \$0.30 in year 1 and \$0.40 in year 2, date of expiry October 7, 2007.
35,500 exercisable at \$0.30 for 1 year, date of expiry October 7, 2007.

1. Stock options:

Number	Exercise Price	Date of Expiry
574,999	\$0.30	June 11, 2007
333,501	\$0.20	June 11, 2008
191,500	\$0.30	August 3, 2009
800,000	\$0.25	October 18, 2010
<u>200,000</u>	\$0.50	March 20, 2011
2,100,000		

2. Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.

Other Information

List of Directors and Officers

Directors

Thomas Hasek, P. Eng.; Vancouver, BC
J. Rupert Allan, P. Geol.; Vancouver, BC
Ronald K. Netolitzky, M. Sc.; Victoria, BC
Lawrence Nagy, P. Geo.; Vancouver, BC
Carl Hering, PhD.; Colorado, USA

Officers

Thomas Hasek, President & CEO
Robert V. Matthews, CFO
Karen A. Allan, CMA, Corporate Secretary

Auditors:

Smythe Ratcliffe

Company solicitors:

DuMoulin & Black

Company banker:

HSBC Bank of Canada