

Forsys Metal Corp.

Consolidated Balance Sheets

	As at April 30, 2006 \$	As at January 31, 2006 \$
Assets		
Current		
Cash and cash equivalents	11,847,654	10,663,731
Interest and other receivables	19,907	37,308
	11,867,560	10,701,039
Mineral properties (note 4)	7,109,927	6,702,093
Capital assets	112,469	77,827
	19,089,956	17,480,959
Liabilities		
Current		
Accounts payable and accrued liabilities	66,597	76,517
Shareholders' equity		
Capital stock (note 5)	16,937,883	14,112,399
Contributed surplus	5,536,198	6,087,682
Deficit	(3,450,722)	(2,795,639)
	19,023,359	17,404,442
	19,089,956	17,480,959

See accompanying notes to interim consolidated financial statements

Duane Parnham
Director

Forsys Metal Corp.

Consolidated Statements of Operations and Deficit

	3 months ended April 30	
	2006	2005
	\$	\$
Revenue		
Consulting fees	8,913	-
Interest	56,735	-
Foreign exchange gain	(15,025)	-
	50,622	-
Expenses		
Professional fees	3,750	3,540
Consulting fees	146,758	57,542
Stock-based compensation	421,972	33,717
General and administrative	24,886	15,379
Investor relations	-	-
Shareholder information	21,332	-
Travel	22,405	16,691
Promotion	62,880	-
Depreciation	1,725	600
	705,707	127,469
Loss before the undernoted item	(655,084)	(127,469)
Equity-accounted investment	-	(46,513)
Net loss	(655,084)	(173,982)
Deficit, beginning of period	(2,795,639)	(1,323,956)
Deficit, end of period	(3,450,723)	(1,497,938)
Net loss per share	(0.015)	(0.020)
Weighted average number of shares	43,645,323	9,620,688

See accompanying notes to interim consolidated financial statements

Forsys Metal Corp.

Consolidated Statements of Cash Flows

	3 months ended April 30	
	2006	2005
	\$	\$
	(unaudited)	(unaudited)
Cash provided by (used in)		
Operating activities		
Net loss for the period	(655,084)	(173,982)
Items not affecting cash		
Stock-based compensation	421,972	33,717
Depreciation	1,725	600
Equity-accounted investment	-	46,513
Changes in non-cash working capital items:		
Interest and other receivables	17,401	3,215
Prepaid expenses	-	(16,481)
Accounts payable and accrued liabilities	(9,920)	(199)
	<u>(223,906)</u>	<u>(106,617)</u>
Financing activities		
Exercise of warrants	1,820,905	-
Exercise of options	31,125	-
	<u>1,852,030</u>	<u>-</u>
Investing activities		
Loan to Westport Resources (Namibia)(Proprietary) Ltd.	-	(50,000)
Mineral resource properties	(407,834)	-
Purchase of capital assets	(36,367)	-
	<u>(444,201)</u>	<u>(50,000)</u>
Net increase (decrease) in cash	1,183,923	(156,617)
Cash and cash equivalents, beginning of period	10,663,731	565,840
Cash and cash equivalents, end of period	<u>11,847,654</u>	<u>409,223</u>

See accompanying notes to interim consolidated financial statements

Forsys Metals Corp

Notes to Interim Consolidated Financial Statements

April 30, 2006

(unaudited)

1. Management's comments on unaudited consolidated financial statements

These unaudited interim consolidated financial statements of Forsys Metals Corp. (the "Company") for the 3 months ended April 30, 2006 have been prepared by management and approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

2. Accounting presentation and disclosures

These interim consolidated financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual consolidated financial statements for the year ended January 31, 2006. Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

3. Nature of operations

The Company is in the exploration stage, as such, the continued operations of the Company and the recoverability of amounts shown as mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to complete the development of its properties and upon future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The amount shown for mineral properties represent costs to date, less amounts written off, and do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral properties.

These unaudited interim consolidated financial statements have been prepared on a going-concern basis, which assumes the continuity of operations and realization of assets and the settlement of liabilities in the normal course of business. If the going-concern assumption is not appropriate, then material adjustments may be necessary in the carrying amount and/or classifications of assets and liabilities in these unaudited interim consolidated financial statements.

4. Mineral properties

The Company cancelled an option agreement with Logan Resources Ltd. whereby the Company had an option to earn a 51% interest in the Albert Creek Property in British Columbia (the "Property"). As at January 31, 2006, the Company wrote off all amounts related to the Property.

5. Share capital

Share capital consists of 46,310,068 issued and outstanding Class A common shares [January 31, 2006 – 42,890,288].

During the 3 months ended April 30, 2006, the following warrants were exercised:

- a) warrants to purchase 1,930,000 Class A common shares at a price of \$0.45 per share for proceeds of \$868,500.
- b) broker warrants to purchase 630,000 Class A common shares at a price of \$0.30 per share for proceeds of \$189,000.
- c) broker warrants to purchase 315,000 Class A common shares at a price of \$0.45 per share for proceeds of \$141,750.
- d) broker warrants to purchase 327,187 Class A common shares at a price of \$1.15 per share for proceeds of \$376,265.
- e) broker warrants to purchase 163,593 Class A common shares at a price of \$1.50 per share for proceeds of \$245,390.

During the 3 months ended April 30, 2006, the following stock options were exercised:

- a) stock options to purchase 37,500 Class A common shares at a price of \$0.50 per share for proceeds of \$18,750.
- b) stock options to purchase 16,500 Class A common shares at a price of \$0.75 per share for proceeds of \$12,375.

On March 23, 2006, the Company granted options to acquire 600,000 Class A common shares at a price of \$1.15 per share until March 23, 2011. On April 11, 2006, the Company granted options to acquire 450,000 Class A common shares at a price of \$2.00 until April 11, 2011. As at April 30, 2006, the Company had options outstanding to acquire 3,281,500 Class A common shares (January 31, 2006 -2,285,500).

6. Related party transactions

During the 3 months ended April 30, 2006, consulting fees of \$76,750 (2005 - \$37,500) were paid to directors.