ROCHESTER RESOURCES LTD.

(formerly Hilton Resources Ltd.)
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
MAY 31, 2006 AND 2005

D&H group Chartered Accountants over 50 years of quality service

AUDITORS' REPORT

To the Shareholders of
Rochester Resources Ltd. (formerly Hilton Resources Ltd.)

We have audited the consolidated balance sheets of Rochester Resources Ltd. (formerly Hilton Resources Ltd.) as at May 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2006 and 2005 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

On August 16, 2006 we reported separately to the shareholders of Rochester Resources Ltd. (formerly Hilton Resources Ltd.) on consolidated financial statements as at May 31, 2006 and 2005 and for the years ended May 31, 2006, 2005 and 2004 audited in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) which include a reconciliation to United States generally accepted accounting principles.

"D&H Group LLP"

Vancouver, B.C.
August 16, 2006, except as to Note 13,
which is as of September 5, 2006

Chartered Accountants

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ROCHESTER RESOURCES LTD.
(formerly Hilton Resources Ltd.)
(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

AS AT MAY 31

	2006 $	2005 $
A S S E T S		
CURRENT ASSETS		
Cash	3,657,676	227,589
Amounts receivable	80,022	39,027
Prepaid expenses and deposits	12,825	9,636
	3,750,523	276,252
MINERAL INTERESTS (Note 3)	1,128,652	-
CAPITAL ASSETS, net of accumulated depreciation of $7,989 (2005 - $5,840)	55,341	4,764
OTHER ASSETS (Note 4)	37,040	6,300
	4,971,556	287,316
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	214,447	31,006
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (Note 5)	75,890,208	70,970,313
CONTRIBUTED SURPLUS (Note 7)	608,284	286,125
DEFICIT	(71,741,383)	(71,000,128)
	4,757,109	256,310
	4,971,556	287,316

NATURE OF OPERATIONS AND CHANGE OF NAME (Note 1)

SUBSEQUENT EVENTS (Note 13)

APPROVED BY THE BOARD

"Doug Good" , Director

"Andrew Carter" , Director

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

ROCHESTER RESOURCES LTD.
(formerly Hilton Resources Ltd.)
(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

FOR THE YEARS ENDED MAY 31

	2006 $	2005 $
EXPENSES		
Accounting and administration	53,415	78,788
Amortization	2,149	5,840
Audit	20,517	19,301
Corporate development	37,360	-
Corporate finance fee	30,500	-
General exploration	24,588	-
Investor relations	6,497	36,000
Legal	19,573	15,832
Management fees	113,838	-
Office	12,098	8,161
Professional fees	91,167	54,941
Regulatory	12,836	7,037
Rent	4,165	-
Salaries and benefits	6,410	-
Shareholder costs	9,251	3,767
Stock-based compensation (Note 6)	256,159	138,725
Transfer agent	17,420	10,612
Travel	24,207	12,173
	742,150	391,177
LOSS BEFORE OTHER ITEMS	(742,150)	(391,177)
OTHER ITEMS		
Gain on sale of other assets (Note 4)	40,980	17,239
Loss on sale of capital assets	-	(1,717)
Bad debts	(10,000)	(27,827)
Write-off of mineral interests (Note 3(b))	-	(703,058)
Interest and other income	36,566	2,362
Foreign exchange	(66,651)	(4,809)
	895	(717,810)
NET LOSS FOR THE YEAR	(741,255)	(1,108,987)
DEFICIT - BEGINNING OF YEAR	(71,000,128)	(69,891,141)
DEFICIT - END OF YEAR	(71,741,383)	(71,000,128)
BASIC AND DILUTED LOSS PER SHARE	$(0.17)	$(0.56)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	4,388,853	1,966,152

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

ROCHESTER RESOURCES LTD.
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(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MAY 31

	2006 $	2005 $
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the year	(741,255)	(1,108,987)
Adjustment for items not involving cash		
Amortization	2,149	5,840
Loss on sale of capital assets	-	1,717
Gain on sale of other assets	(40,980)	(17,239)
Write-off of mineral interests	-	703,058
Corporate finance fees	30,500	-
Stock-based compensation	256,159	138,725
	(493,427)	(276,886)
Increase in amounts receivable	(40,995)	(8,738)
Increase in prepaid expenses and deposits	(3,189)	(677)
Increase in accounts payable and accrued liabilities	183,441	14,650
	(354,170)	(271,651)
FINANCING ACTIVITIES		
Issuance of common shares	4,966,050	362,500
Share issue costs	(348,155)	(2,500)
	4,617,895	360,000
INVESTING ACTIVITIES		
Purchase of capital assets	(52,726)	-
Proceeds from sale of capital assets	-	7,146
Mineral interests expenditures	(791,152)	(415,255)
Proceeds from sale of other assets	47,280	19,309
Additions to other assets	(37,040)	-
	(833,638)	(388,800)
INCREASE (DECREASE) IN CASH FOR THE YEAR	3,430,087	(300,451)
CASH - BEGINNING OF YEAR	227,589	528,040
CASH - END OF YEAR	3,657,676	227,589

SUPPLEMENTARY CASH FLOW INFORMATION - Note 12

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

1. NATURE OF OPERATIONS AND CHANGE OF NAME

The Company is engaged in the acquisition, exploration and development of mineral interests in Mexico. During the 2006 fiscal year, the Company completed negotiations and entered into an option agreement to acquire up to a 51% interest in the Mina Real Property in Mexico. The Company is currently constructing the mill facility on the Mina Real Property. Completion of the facility is scheduled for November 2006.

The amount shown as mineral properties and deferred costs represent net costs to date, less amounts written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place these properties into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop its mineral properties.

As at May 31, 2006, the Company had working capital of $3,536,076. Management anticipates that it will be required to raise additional financing to complete construction of the mill facility and provide adequate working capital. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown in the consolidated financial statements should the Company be unable to continue as a going concern. The ability of the Company to settle its liabilities as they come due and to fund ongoing operations is dependent upon the ability of the Company to obtain additional funding from equity financing. Failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis.

On August 25, 2005, the Company completed a consolidation of its share capital on a basis of one new share for ten old shares and changed its name from Hilton Resources Ltd. to Rochester Resources Ltd.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian GAAP and include the accounts of the Company and its 60% owned Mexican subsidiary, Compania Minera Nayarit S.A. de C.V. Inter-company balances and transactions are eliminated on consolidation.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Interests

Mineral interests costs and exploration, development and field support costs directly relating to mineral interests are deferred until the interests to which they relate is placed into production, sold or abandoned. The deferred costs will be amortized over the life of the orebody following commencement of production or written off if the mineral interest is sold or abandoned. Administration costs and other exploration costs that do not relate to any specific mineral interest are expensed as incurred.

On a periodic basis, management reviews the carrying values of deferred mineral interest acquisition and exploration expenditures with a view to assessing whether there has been any impairment in value. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or interest will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or interest.

Although the Company has taken steps to verify title to the mineral interests, according to the usual industry standards for the stage of exploration of such mineral interests, these procedures do not guarantee the Company's title. Such mineral interests may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time, the Company acquires or disposes of mineral interests pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral interest costs or recoveries when the payments are made or received.

Capital Assets

Capital assets, which is comprised of vehicles and office equipment, are recorded at cost less accumulated amortization. Amortization is recorded on the declining balance basis at the following annual rates:

Vehicles	30%
Office equipment	20%

Investments

Long-term investments are accounted for using the cost method.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is charged to earnings using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As at May 31, 2006, the Company does not have any asset retirement obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long-Lived Assets

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flow from use and fair value. In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate. The estimated fair value of awards of stock-based compensation are charged to expense as awards vest, with offsetting amounts recognized as contributed surplus.

Translation of Foreign Currencies

Monetary assets and liabilities are translated into Canadian dollars at the balance sheet date rate of exchange and non-monetary assets and liabilities at historical rates. Revenues and expenses are translated at appropriate transaction date rates except for amortization, depreciation and depletion, which are translated at historical rates. Gains and losses resulting from the fluctuation of foreign exchange rates have been included in the determination of income.

Income Taxes

Future income tax liabilities and assets are recognized for the estimated income tax consequences attributable to differences between the amounts reported in the consolidated financial statements and their respective tax bases, using enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change is substantively enacted. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

Earnings (Loss) Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

3. MINERAL INTERESTS

	2006			2005		
	Acquisition Costs $	Exploration Costs $	Total $	Acquisition Costs $	Exploration Costs $	Total $
Mina Real	486,584	642,068	1,128,652	-	-	-

(a) During the 2006 fiscal year, the Company entered into an option agreement with a private company to acquire up to a 51% interest in the Mina Real Property located in Tepic, Mexico. The Mina Real Property comprises of four concessions covering approximately 3,400 hectares. Under the agreement the Company has made an option payment of US $110,000 and issued 250,000 common shares at a fair value of $337,500. The Company can earn its interests, as follows:

i) an initial 20% interest on funding the initial US $750,000 on exploration expenditures;
ii) a further 20% interest on funding a further US $750,000 on exploration expenditures; and
iii) a further 11% interest on payment of US $900,000, at the minimum rate of US $75,000 per month, commencing September 1, 2006, with each payment vesting at 0.9166% interest.

Subsequent to May 31, 2006, the Company has funded the requisite US $1.5 million and made payments totalling US $225,000, earning an approximate 42.75% interest in the Mina Real Property.

(b) During the 2004 fiscal year, the Company entered into an option agreement with a Mexican private corporation whereby the Company could acquire up to a 100% interest in five unproven mineral concessions (the “El Nayar Project”) in Mexico, covering approximately 6,766 hectares. The Company conducted a comprehensive geological work program during the 2005 fiscal year. Based on the results the Company determined to cease further work on the El Nayar Project and wrote-off $703,058 of acquisition and exploration costs.

4. OTHER ASSETS

	2006 $	2005 $
Investment	-	6,300
Deposits on exploration equipment	37,040	-
	37,040	6,300

During the 2005 fiscal year, the Company held 70,000 common shares of Halo Resources Ltd. (“Halo”), a publicly traded company with common officers and directors. During the 2006 fiscal year, the Company sold the 70,000 shares of Halo (2005 - 23,000) for $ 47,280 (2005 - $19,309), realizing a gain of $40,980 (2005 - $17,239).

5. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Issued:

	2006		2005	
	Shares	Amount $	Shares	Amount $
Balance, beginning of year	2,230,735	70,970,313	1,853,735	70,593,713
Issued during the year				
For cash				
Private placements	6,000,000	3,220,000	355,000	355,000
Exercise of options	-	-	3,000	7,500
Exercise of warrants	2,557,000	1,671,050	-	-
Exercise of agent's option	150,000	75,000		
Reallocation from contributed surplus relating to the exercise of stock options	-	-	-	6,600
Reallocation from contributed surplus relating to the exercise of agent's option and related warrants	-	112,500	-	-
For corporate finance fees	50,000	30,500		
For mineral interests	250,000	337,500	10,000	10,000
Finder's fee	-	-	9,000	9,000
	9,007,000	5,446,550	377,000	388,100
Less: share issue costs	-	(526,655)	-	(11,500)
	9,007,000	4,919,895	377,000	376,600
Balance, end of year	11,237,735	75,890,208	2,230,735	70,970,313

(a) On August 25, 2005, the Company completed a consolidation of its share capital on a basis of one new share for ten old shares. All comparative share amounts and balances have been restated.

(b) During the 2006 fiscal year, the Company completed:

i) a private placement totalling 5,000,000 units at $0.50 per unit for gross proceeds of $2,500,000. Each unit comprised one common share and one half share purchase warrant. One full warrant was exercisable into one common share at $0.65 per common share on or before January 16, 2008, subject to a forced conversion provision. The Company paid $22,000 as finders' fees on the non-brokered portion of the private placement. On the brokered portion of the private placement, the Company paid a commission of $150,000 and issued 25,000 common shares, at a fair value of $12,500, for a corporate finance fee. The Company also granted an option to the agent entitling it to acquire 150,000 units at a price of $0.50 per unit, for a period of two years. The agent's option was exercised during the 2006 fiscal year. The units issued to the agent had the same terms as the units issued under the private placements. In addition, the Company incurred $71,087 of costs relating to the private placement. Certain directors and officers of the Company have purchased 270,000 units of the private placement.

5. SHARE CAPITAL (continued)

The fair value of the agent's option and related warrants have been estimated using the Black-Scholes option pricing model. The assumptions used were: dividend yield - 0%; expected volatility - 136%; a risk-free interest rate of 3.71%; and an expected life of twelve months. The value assigned to the agent's option and related warrants was $112,500.

During the 2006 fiscal year, the Company issued a total of 2,545,000 common shares for proceeds of $1,654,250, as a result of the exercise of warrants under the forced conversion provision. The remaining warrants for 30,000 common shares expired without exercise.

ii) a private placement of 1,000,000 units at $0.72 per unit. Each unit comprised one common share and one share purchase warrant. Each warrant is exercisable into one common share at $0.80 per common share on or before May 3, 2008. The Company paid a commission of $72,000, issued 25,000 common shares, at a fair value of $18,000, for a corporate finance fee and granted 100,000 agent's warrants exercisable on the same basis as the warrants issued under the private placement. The Company also incurred $33,068 of costs relating to the private placement.

The fair value of the agent's warrants have been estimated using the Black-Scholes option pricing model. The assumptions used were: dividend yield - 0%; expected volatility - 137%; a risk-free interest rate of 4.12%; and an expected life of twelve months. The value assigned to the agent's warrants was $66,000.

(c) During the 2005 fiscal year, the Company completed a non-brokered private placement financing of 355,000 units at a price of $1.00 per unit, for gross proceeds of $355,000. Each unit comprised one common share and one-half share purchase warrant. Each full share purchase warrant entitles the holder to purchase one additional common share for a period of two years, at an exercise price of $1.50 per share on or before February 7, 2006 and, thereafter, at $2.00 per share on or before February 7, 2007. The Company issued 9,000 units having the same terms as the private placement, at a fair value of $9,000, in consideration as finder's fees on a portion of the private placement. Certain directors of the Company and their immediate family members have purchased 65,000 units of the private placement.

(d) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at May 31, 2006 and 2005 and the changes for the years ending on those dates is as follows:

	2006	2005
Balance, beginning of year	688,500	582,365
Issued	3,675,000	182,000
Exercised	(2,557,000)	-
Expired	(524,500)	(75,865)
Balance, end of year	1,282,000	688,500

5. SHARE CAPITAL (continued)

The following table summarizes information about the warrants outstanding and exercisable at May 31, 2006:

Exercise Price $	Number	Expiry Date
2.00	159,500	February 7, 2007
2.00	22,500	March 29, 2007
0.80	1,100,000	May 3, 2008
	1,282,000	

(e) See also Note 13(a).

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSX Venture Exchange. The options have a maximum term of five years.

During the 2006 fiscal year, the Company granted 720,000 (2005 - 178,500) stock options to the Company's directors, employees and consultants and recorded compensation expense of $256,159 (2005 - $138,725).

The fair value of stock options granted to directors, employees and consultants is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for the grants made during fiscal 2006 and 2005:

	2006	2005
Risk-free interest rate	3.63% - 3.86%	2.69% - 3.07%
Estimated volatility	125% - 136%	146% - 147%
Expected life	9 months - 18 months	12 months - 18 months
Expected dividend yield	0%	0%

The weighted average fair value of stock options granted during the year to the Company's directors, employees and consultants was $0.36 (2005 - $0.80) per share .

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)

A summary of the Company's outstanding stock options at May 31, 2006 and 2005 and the changes for the years ending on those dates is as follows:

	2006		2005	
	Options Outstanding	Weighted Average Exercise Price $	Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of year	217,500	1.30	70,000	2.50
Granted	720,000	0.62	178,500	1.04
Exercised	-	-	(3,000)	2.50
Cancelled / expired	(217,500)	1.30	(28,000)	2.50
Balance, end of year	720,000	0.62	217,500	1.30

The following table summarizes information about the stock options outstanding and exercisable at May 31, 2006:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
220,000	220,000	0.50	November 10, 2008
350,000	350,000	0.62	January 17, 2009
150,000	25,000	0.80	August 21, 2007
720,000	595,000		

See also Note 13(a).

7. CONTRIBUTED SURPLUS

The Company's contributed surplus as May 31, 2006 and 2005 is comprised of the following:

	2006 $	2005 $
Balance, beginning of year	286,125	154,000
Stock-based compensation on stock options (Note 6)	256,159	138,725
Stock options exercised	-	(6,600)
Stock-based compensation on agent's option and warrants (Note 5(b))	178,500	-
Agent's option exercised	(112,500)	-
Balance, end of year	608,284	286,125

8. RELATED PARTY TRANSACTIONS

During fiscal 2006, the Company incurred $170,794 (2005 - $94,538) for accounting and administration, management, professional and consulting services provided by current and former directors and officers of the Company. As at May 31, 2006, $17,210 (2005 - $15,615) remained outstanding and has been included in accounts payable and accrued liabilities.

See also Note 5.

9. INCOME TAXES

Future income tax assets and liabilities of the Company as at May 31, 2006 and 2005 are as follows:

	2006 $	2005 $
Future income tax assets (liabilities)		
Losses carried forward	2,492,600	2,516,300
Share issue costs	101,800	10,600
	2,594,400	2,526,900
Valuation allowance	(2,594,400)	(2,526,900)
Net future income tax asset	-	-

The recovery of income taxes shown in the consolidated statements of operations and deficit differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2006 $	2005 $
Income tax rate reconciliation		
Combined federal and provincial income tax rate	34.12%	35.62%
Expected income tax recovery	(252,700)	(395,000)
Non-deductible stock-based compensation	87,400	49,400
Write-off of mineral resource interests	-	250,400
Other	(4,000)	2,400
Unrecognized benefit of income tax losses	169,300	92,800
Actual income tax recovery	-	-

As at May 31, 2006, the Company has accumulated non-capital losses for income tax purposes of approximately $7.3 million, expiring from 2007 to 2016, the related benefits of which have not been recognized in these financial statements as there is no reasonable assurance such benefits will be realized.

10. SEGMENTED INFORMATION

The Company operates in one industry segment, the exploration of unproven mineral interests. The Company's current unproven mineral interests are located in Mexico and its corporate assets are located in Canada.

	2006		
	Identifiable Assets $	Revenues $	Net Loss $
Mineral operations (Mexico)	1,337,075	-	(12,091)
Corporate (Canada)	3,634,481	36,566	(729,164)
	4,971,556	36,566	(741,255)

	2005		
	Identifiable Assets $	Revenues $	Net Loss $
Mineral operations (Mexico)	39,585	-	(732,601)
Corporate (Canada)	247,731	19,601	(376,386)
	287,316	19,601	(1,108,987)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments at May 31, 2006 and 2005, were estimated based on relevant market information and the nature and terms of financial instruments. Management is not aware of any factors which would significantly affect the estimated fair market amounts, however, such amounts have not been comprehensively revalued for purposes of these financial statements. Disclosure subsequent to the balance sheet dates and estimates of fair value at dates subsequent to May 31, 2006 and 2005, may differ significantly from that presented.

Fair value approximates the amounts reflected in the financial statements for cash, amounts receivable and accounts payable and accrued liabilities.

The Company may be subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar and other foreign currencies. However, the Company is not subject to significant interest and credit risks arising from these instruments.

12. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash activities were conducted by the Company during fiscal 2006 and 2005 as follows:

	2006 $	2005 $
Operating activities		
Drilling advance	-	57,221
Corporate finance fee	(30,500)	-
	(30,500)	(57,221)
Financing activities		
Issuance of common shares for non-cash consideration	480,500	25,600
Share issue costs	(178,500)	(9,000)
Contributed surplus	66,000	(6,600)
	368,000	10,000
Investing activity		
Expenditures on mineral interests	(337,500)	(67,221)

Other supplementary cash flow information:

	2006 $	2005 $
Interest paid in cash	-	-
Income taxes paid in cash	-	-

13. SUBSEQUENT EVENTS

(a) Subsequent to May 31, 2006, the Company:

i) completed a non-brokered private placement for 2,000,000 units at a price of $0.90 per unit for gross proceeds of $1,800,000. Each unit comprised one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $1.15 per share in year one and $1.30 per share in year two and are subject to a forced conversion provision which comes into effect once the Company's common shares trade at 150% or more per share of the exercise price of the warrants for a period of 45 consecutive trading days; and

ii) granted stock options to the Company's directors, employees and consultants to acquire 500,000 common shares over a five year period at $0.90 per share.

(b) See also Note 3(a).

ROCHESTER RESOURCES LTD.
(formerly Hilton Resources Ltd.)
(An Exploration Stage Company)

CONSOLIDATED SCHEDULE OF MINERAL INTERESTS

FOR THE YEARS ENDED MAY 31

	Mina Real Project 2006 $	El Nayar Project 2005 $
BALANCE - BEGINNING OF YEAR	-	220,582
EXPLORATION COSTS DURING THE YEAR		
Access road construction	-	40,022
Assays	-	5,483
Camp costs	27,642	7,633
Consulting	339,189	63,442
Drilling	-	62,612
Equipment rental	7,416	-
Exploration office	44,843	20,363
Fuel	2,238	9,018
Geological	-	122,230
Geophysics	-	2,932
Legal	-	4,664
Permits and fees	-	13,583
Other	-	4,549
Repairs and maintenance	1,619	-
Salaries	156,928	34,776
Supplies	52,283	-
Topography	-	5,886
Transport	-	3,905
Travel	1,437	14,842
Vehicles	8,473	-
	642,068	415,940
ACQUISITION COSTS		
Option payments and other	149,084	66,536
Issuance of common shares	337,500	-
	486,584	66,536
	1,128,652	482,476
BALANCE BEFORE WRITE-OFF	1,128,652	703,058
WRITE-OFF OF MINERAL INTERESTS (Note 3)	-	(703,058)
BALANCE - END OF YEAR	1,128,652	-