
ROCHESTER RESOURCES LTD.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
AUGUST 31, 2006

(Unaudited - Prepared by Management)

**MANAGEMENT'S COMMENTS ON UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Rochester Resources Ltd. for the three months ended August 31, 2006, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

ROCHESTER RESOURCES LTD.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	August 31, 2006	May 31, 2006
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash	3,401,164	3,657,676
Amounts receivable	302,911	80,022
Prepaid expenses and deposits	11,250	12,825
	<u>3,715,325</u>	<u>3,750,523</u>
PROPERTY, PLANT AND EQUIPMENT (Note 3)	2,815,703	1,183,993
OTHER ASSETS	<u>-</u>	<u>37,040</u>
	<u><u>6,531,028</u></u>	<u><u>4,971,556</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>120,048</u>	<u>214,447</u>

S H A R E H O L D E R S ' E Q U I T Y

SHARE CAPITAL (Note 4)	77,671,585	75,890,208
CONTRIBUTED SURPLUS (Note 6)	617,284	608,284
DEFICIT	<u>(71,877,889)</u>	<u>(71,741,383)</u>
	<u>6,410,980</u>	<u>4,757,109</u>
	<u><u>6,531,028</u></u>	<u><u>4,971,556</u></u>

NATURE OF OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Note 10)

APPROVED BY THE BOARD

"Doug Good" , Director

"William Lee" , Director

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

ROCHESTER RESOURCES LTD.
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS ENDED AUGUST 31
(Unaudited - Prepared by Management)

	2006	2005
	\$	\$
EXPENSES		
Accounting and administration	17,645	14,250
Amortization	5,400	357
Corporate development	7,425	-
Investor relations	19,850	3,000
Legal	103	950
Management fees	19,500	7,000
Office	5,905	1,143
Professional fees	14,326	6,045
Regulatory	1,475	2,250
Rent	2,400	-
Salaries and benefits	6,411	-
Shareholder costs	1,339	2,707
Stock-based compensation (Note 5)	9,000	-
Transfer agent	3,436	4,475
Travel	7,322	299
	<u>121,537</u>	<u>42,476</u>
LOSS BEFORE OTHER ITEMS	<u>(121,537)</u>	<u>(42,476)</u>
OTHER ITEMS		
Gain on sale of other assets	-	40,980
Interest income	24,270	3,191
Foreign exchange loss	(39,239)	(4,088)
	<u>(14,969)</u>	<u>40,083</u>
NET LOSS FOR THE PERIOD	(136,506)	(2,393)
DEFICIT - BEGINNING OF PERIOD	<u>(71,741,383)</u>	<u>(71,000,128)</u>
DEFICIT - END OF PERIOD	<u>(71,877,889)</u>	<u>(71,002,521)</u>
 BASIC AND DILUTED LOSS PER SHARE	 <u>\$(0.01)</u>	 <u>\$(0.00)</u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	 <u>11,993,291</u>	 <u>2,230,735</u>

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

ROCHESTER RESOURCES LTD.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED AUGUST 31,
(Unaudited - Prepared by Management)

	2006 \$	2005 \$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the period	(136,506)	(2,393)
Adjustment for items not involving cash		
Amortization	5,400	357
Gain on sale of other assets	-	(40,980)
Stock-based compensation	9,000	-
	<u>(122,106)</u>	<u>(43,016)</u>
(Increase) decrease in amounts receivable	(222,889)	289
Decrease in prepaid expenses and deposits	1,575	1,669
Decrease in accounts payable and accrued liabilities	(94,399)	(10,123)
	<u>(437,819)</u>	<u>(51,181)</u>
FINANCING ACTIVITIES		
Issuance of common shares	1,800,000	-
Share issue costs	(18,623)	-
	<u>1,781,377</u>	<u>-</u>
INVESTING ACTIVITIES		
Property, plant and equipment additions	(1,600,070)	-
Proceeds from sale of other assets	-	47,280
	<u>(1,600,070)</u>	<u>47,280</u>
DECREASE IN CASH FOR THE PERIOD	(256,512)	(3,901)
CASH - BEGINNING OF PERIOD	<u>3,657,676</u>	<u>227,589</u>
CASH - END OF PERIOD	<u><u>3,401,164</u></u>	<u><u>223,688</u></u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid in cash	<u>-</u>	<u>-</u>
Income taxes paid in cash	<u>-</u>	<u>-</u>

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

ROCHESTER RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2006
(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

The Company is engaged in the acquisition, exploration and development of mineral interests in Mexico. The Company is currently constructing the cyanidation processing plant and related infrastructure at the Mina Real Property located in Nayarit State, Mexico. Completion of the facility is scheduled for late November 2006.

The amount shown as mineral interests and deferred exploration represents 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.

The Company is a pre-production stage company engaged in the acquisition, exploration, and development of mineral interests and, accordingly, does not have any revenues. As at August 31, 2006, the Company had working capital of \$3,595,277. While the Company believes that it has sufficient financial resources to meet the balance of its current funding commitment for its 51% interest in the Mina Real Project, with the proposed acquisition of the remaining 49% interest, the Company will not have sufficient resources to accommodate the increase in this commitment, to complete construction of the mill facility and provide adequate working capital for start-up operations. In addition, exploration and development activities may change due to ongoing results and recommendations which may entail significant funding or exploration commitments. As a result, the Company will be required to obtain additional financing. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	<u>August 31, 2006</u>		<u>May 31, 2006</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Motor vehicles	65,522	5,527	59,995	52,921
Office equipment	4,356	237	4,119	2,420
Capital works in progress	1,487,579	-	1,487,579	-
Mineral interests and deferred exploration	<u>1,264,010</u>	<u>-</u>	<u>1,264,010</u>	<u>1,128,652</u>
	<u>2,821,467</u>	<u>5,764</u>	<u>2,815,703</u>	<u>1,183,993</u>

ROCHESTER RESOURCES LTD.*(An Exploration Stage Company)***NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED AUGUST 31, 2006***(Unaudited - Prepared by Management)***3. PROPERTY, PLANT AND EQUIPMENT (continued)**

Capital works in progress consists primarily of equipment and infrastructure for the Company's Mina Real Project.

In January 2006, the Company entered into an option agreement with, ALB Holdings Ltd. ("ALB") a private British Columbia 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 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 July 1, 2006, with each payment vesting at 0.9166% interest.

As at August 31, 2006, the Company has funded the requisite US \$1.5 million and made payments totalling US \$150,000, earning an approximate 41.83% interest in the Mina Real Property. Subsequent to August 31, 2006, the Company and ALB entered into an agreement whereby the Company can acquire a 100% interest in the Mina Real Property, as described in Note 10(a).

4. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Issued:	August 31, 2006		May 31, 2006	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	<u>11,237,735</u>	<u>75,890,208</u>	<u>2,230,735</u>	<u>70,970,313</u>
Issued during the period				
For cash				
Private placements	2,000,000	1,800,000	6,000,000	3,220,000
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 agent's option and related warrants	-	-	-	112,500
For corporate finance fees	-	-	50,000	30,500
For mineral interests	-	-	250,000	337,500
	<u>2,000,000</u>	<u>1,800,000</u>	<u>9,007,000</u>	<u>5,446,550</u>
Less: share issue costs	<u>-</u>	<u>(18,623)</u>	<u>-</u>	<u>(526,655)</u>
	<u>2,000,000</u>	<u>1,781,377</u>	<u>9,007,000</u>	<u>4,919,895</u>
Balance, end of period	<u>13,237,735</u>	<u>77,671,585</u>	<u>11,237,735</u>	<u>75,890,208</u>

- (a) During the three months ended August 31, 2006 the Company 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 of 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 on or

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(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2006
(Unaudited - Prepared by Management)

5. SHARE CAPITAL (continued)

before July 28, 2007 and \$1.30 per share on or before July 28, 2008. The warrants 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. The Company incurred share issue costs of \$18,623 relating to the private placement.

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

	2006		2005	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	1,282,000	0.97	688,500	1.91
Issued	2,000,000	1.15	-	-
Balance, end of period	3,282,000	1.08	688,500	1.91

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

Exercise Price \$	Number	Expiry Date
2.00	122,000	February 2, 2007
2.00	37,500	February 7, 2007
2.00	22,500	March 29, 2007
0.80	1,100,000	May 3, 2008
1.15/1.30	2,000,000	July 28, 2007 / 2008
	3,282,000	

- (c) See also Note 10.

5. 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 three months ended August 31, 2006, the Company recorded compensation expense of \$9,000 on stock options which vested during the period.

ROCHESTER RESOURCES LTD.*(An Exploration Stage Company)***NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED AUGUST 31, 2006***(Unaudited - Prepared by Management)***5. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)**

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

	2006		2005	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning and end of period	<u>720,000</u>	0.62	<u>217,500</u>	1.30

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

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
22,000	22,000	0.50	January 4, 2007
150,000	50,000	0.80	August 21, 2007
198,000	198,000	0.50	November 10, 2008
<u>350,000</u>	<u>350,000</u>	0.62	January 17, 2009
<u>720,000</u>	<u>620,000</u>		

See also Note 10(b).

6. CONTRIBUTED SURPLUS

The Company's contributed surplus as August 31, 2006 and 2005 and the changes for the three months ending on those dates is presented below:

	2006 \$	2005 \$
Balance, beginning of period	608,284	286,125
Stock-based compensation on stock options (Note 5)	<u>9,000</u>	<u>-</u>
Balance, end of period	<u>617,284</u>	<u>286,125</u>

7. RELATED PARTY TRANSACTIONS

During the three months ended August 31, 2006, the Company incurred:

- i) a total of \$34,996 (2005 - \$21,250) for accounting and administration, management and professional fees by directors and officers of the Company; and
- ii) \$15,000 for professional fees provided by a private company controlled by a director of the Company. This amount was capitalized to mineral interests.

ROCHESTER RESOURCES LTD.*(An Exploration Stage Company)***NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED AUGUST 31, 2006***(Unaudited - Prepared by Management)***7. RELATED PARTY TRANSACTIONS (continued)**

As at August 31, 2006, \$25,996 (2005 - \$1,596) remained outstanding to companies related to directors of the Company, and has been included in accounts payable and accrued liabilities.

8. 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.

	August 31, 2006		
	Identifiable Assets	Revenues	Net Loss
	\$	\$	\$
Mineral operations (Mexico)	3,377,810	-	(3,462)
Corporate (Canada)	3,153,218	24,270	(133,044)
	<u>6,531,028</u>	<u>24,270</u>	<u>(136,506)</u>
	May 31, 2006		
	Identifiable Assets	Revenues	Net Loss
	\$	\$	\$
Mineral operations (Mexico)	1,337,075	-	(12,091)
Corporate (Canada)	3,634,481	36,566	(729,164)
	<u>4,971,556</u>	<u>36,566</u>	<u>(741,255)</u>

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments at August 31, 2006, 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 August 31, 2006, 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.

ROCHESTER RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2006

(Unaudited - Prepared by Management)

10. SUBSEQUENT EVENTS

- (a) Subsequent to August 31, 2006, the Company made a US \$75,000 payment for a further 0.9166% interest in the Mina Real Property and provided funding for the construction of the plant.

On October 19, 2006, the Company and ALB completed negotiations and ALB agreed to waive the requirement for any further payments and the Company was deemed to have fully earned its 51% interest in the Mina Real Property. In addition, the Company has agreed to acquire 100% of the outstanding capital of ALB in exchange for the issuance of 10,500,000 common shares of the Company. ALB's sole asset is its 49% equity interest in the Mina Real Property and the only liability of ALB is an underlying obligation of US \$2 million and a 1% net smelter return royalty on the Mina Real Property. Closing of the agreement is subject to completion of formal documentation and receipt of TSXV approval.

- (b) On September 5, 2006, the Company granted 500,000 stock options to directors, consultants and employees at \$0.90 per common shares to expire on or before September 5, 2011.

SCHEDULE I

ROCHESTER RESOURCES LTD.

(An Exploration Stage Company)

**INTERIM CONSOLIDATED SCHEDULE OF
MINERAL PROPERTIES AND DEFERRED EXPLORATION**

	Three Months Ended August 31, 2006 \$	Year Ended May 31, 2006 \$
BALANCE - BEGINNING OF PERIOD	<u>1,128,652</u>	<u>-</u>
EXPLORATION COSTS DURING THE PERIOD		
Assays	3,087	-
Camp costs	-	27,642
Consulting	-	339,189
Equipment rental	-	7,416
Exploration office	-	44,843
Fuel	-	2,238
Geological	15,000	-
Repairs and maintenance	-	1,619
Salaries	-	156,928
Supplies	-	52,283
Travel	-	1,437
Vehicles	-	8,473
	<u>18,087</u>	<u>642,068</u>
Reclassification to capital works in progress	<u>(63,330)</u>	<u>-</u>
	<u>(45,243)</u>	<u>642,068</u>
ACQUISITION COSTS		
Option payments and other	180,601	149,084
Issuance of common shares	-	337,500
	<u>180,601</u>	<u>486,584</u>
BALANCE - END OF PERIOD	<u><u>1,264,010</u></u>	<u><u>1,128,652</u></u>