Financial Statements of

ICON INDUSTRIES LIMITED

Six months ended June 30, 2006
(Unaudited)

Report Date – August 28, 2006

ICON INDUSTRIES LIMITED

(the "Company")
Financial Statements
Six Months Ended June 30, 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, the statements 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.

"T. Barry Coughlan"
President and Chief Executive Officer

"T. R. Wilson"
Chief Financial Officer

August 28, 2006

ICON INDUSTRIES LIMITED
BALANCE SHEETS
(Unaudited – Prepared by Management)

		June 30, 2006		December 31, 2005
ASSETS				
Current				
Cash	$	61,832	$	17,019
Receivables		25,504		19,985
		87,336		37,004
Mineral property investment (Note 3) **-Schedule**		697,918		693,709
Equipment and furniture		1,689		1,959
	$	786,943	$	732,672
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	200,398	$	203,792
Shareholders' equity				
Share Capital (Note 5)		10,755,136		10,755,136
Share subscriptions receivable		-		(125,000)
Contributed surplus (Note 5)		128,294		93,449
Deficit		(10,296,885)		(10,194,705)
		586,545		528,880
	$	786,943	$	732,672

Nature and continuance of operations (Note 2)

On behalf of the Board:

signed "T. Barry Coughlan" Director signed "William S. Harper" Director

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

ICON INDUSTRIES LIMITED
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended June 30, 2006	Three Month Period Ended June 30,2005	Six Month Period Ended June 30, 2006	Six Month Period Ended June 30, 2005
EXPENSES				
Accounting and audit	$ 1,000	$ 20,317	$ 1,000	$ 31,817
Advertising and promotion	1,518	480	1,518	1,380
Amortization	135	173	270	348
Consulting fees	-	7,600		11,100
Legal	4,132	-	5,132	2,000
Management fees	15,000	15,000	30,000	30,000
Office and administration	523	4,815	1,855	10,527
Rent	-	6,589	1,072	13,105
Stock-based compensation	22,324	12,384	34,845	27,181
Transfer agent and regulatory fees	15,112	4,313	24,060	7,534
Travel and accommodation	-	8,823	3,200	20,826
	(59,744)	(80,494)	(102,952)	(155,818)
Interest income and other income	772	296	772	785
Loss for the period before income taxes	(58,972)	(80,198)	(102,180)	(155,033)
Income tax recovery	-	-	-	183,340
Income (loss) for the period	(58,972)	(80,198)	(102,180)	28,307
Deficit, beginning of period	(10,237,913)	(10,052,338)	(10,194,705)	(10,160,843)
Deficit, end of period	$ (10,296,885)	$ (10,132,536)	$ (10,296,885)	$ (10,132,536)
Basic income (loss) per common share	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.01
Diluted income (loss) per common share	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.01
Weighted average number of common shares outstanding – basic	9,628,548	8,378,548	9,628,548	8,377,277
Effect of dilutive options and warrants	-	-	-	551,881
Weighted average number of common shares outstanding – diluted	9,628,548	8,358,548	9,628,548	8,929,158

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

ICON INDUSTRIES LIMITED
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended June 30, 2006	Three Month Period Ended June 30, 2005	Six Month Period Ended June 30, 2006	Six Month Period Ended June 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	$ (58,972)	$ (80,198)	$ (102,180)	$ 28,307
Items not affecting cash:				
Amortization	135	173	270	348
Stock-based compensation	22,324	12,384	34,845	27,181
Income tax recovery	-	-	-	(183,340)
Changes in non-cash working capital items:				
Receivables	(1,050)	10,921	(5,519)	45,355
Prepaid expenses and deposits	-	(1,760)	-	55,256
Accounts payable and accrued liabilities	36,988	21,347	35,195	25,771
Cash used in operating activities	(575)	(37,133)	(37,389)	(1,122)
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral property investments	-	(11,516)	(42,798)	(184,190)
Deferred costs	-	(500)	-	(500)
Cash used in investing activities	-	(12,016)	(42,798)	(184,690)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of equity - (net of issue costs)	-	-	-	2,600
Share subscriptions received	40,000	-	125,000	-
Cash provided by financing activities	40,000	-	125,000	2,600
Change in cash during the period	39,425	(49,149)	44,813	(183,212)
Cash position, beginning of period	22,407	162,265	17,019	296,328
Cash position, end of period	$ 61,832	$ 113,116	$ 61,832	$ 113,116

Supplemental disclosure with respect to cash flows (Note 4)

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

ICON INDUSTRIES LIMITED. **Schedule**

SCHEDULES OF MINERAL PROPERTY COSTS

	Three Month Period Ended June 30, 2006	Three Month Period Ended June 30, 2005	Six Month Period Ended June 30, 2006	Six Month Period Ended June 30, 2005
BERESFORD LAKE PROPERTY, MB				
ACQUISITION COSTS				
Property cost	$ -	$ -	$ -	$ -
Legal and other fees	-	-	-	-
	-	-	-	-
DEFERRED EXPLORATION EXPENDITURES				
Assaying	-	-	1,265	4,387
Consulting - geological	-	10,941	1,050	29,996
Contracted labour	-	-	-	5,200
Drilling	-	-	-	126,662
Equipment rentals	-	-	285	4,400
Maps, reports, and reproductions	-	575	-	4,578
Project administration	-	-	362	507
Supplies and other	-	-	15	2,296
Travel and accommodation	-	-	1,232	6,164
	-	11,516	4,209	184,190
COSTS FOR THE PERIOD	-	11,516	4,209	184,190
BALANCE, BEGINNING OF THE PERIOD	697,918	589,353	693,709	416,679
BALANCE, END OF THE PERIOD	$ 697,918	$ 600,869	$ 697,918	$ 600,869

1. BASIS OF PRESENTATION

The interim period financial statements have been prepared by the Company in Canadian dollars and in accordance with accounting principles generally accepted in Canada. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the Company's audited annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual filing and the management discussion and analysis report on Form 51-102F1 for the period. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company is a public company listed on Tier 2 of the TSX Venture Exchange. The Company is in the business of acquiring, exploring and developing mineral resource properties, primarily in the gold industry.

These financial statements have been 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. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future.

	June 30 , 2006	December 31, 2005
Deficit	$ (10,296,885)	$ (10,194,705)
Working capital (deficiency)	(113,062)	(166,788)

3. MINERAL PROPERTY INVESTMENT

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Beresford Lake Property

The Company entered into an option agreement (the "Option") with Stephen Stares, Michael Stares, and Wayne Reid, (collectively the "Optionors") pursuant to which the Company can acquire a 100% interest in the Beresford Lake Property (the "Property") near Bisset, Manitoba. To date, the Company has paid the Optionors $32,000 and issued 100,000 common shares of the Company with a value of $30,000. In addition, in order to keep the Property in good standing under the terms of the Option, the Company is obligated over a two year period to pay the Optionors an aggregate of $62,000 and issue in aggregate 100,000 common shares of the Company in equal stages. The Option also included a work commitment which the Company has met. The Property is subject to a 2% net smelter royalty ("NSR") with the Company having the right to purchase 1% of the NSR for $1,000,000 with a first right of refusal to the remaining 1%. The Option contains a provision for the acquisition of additional claim units in an area of interest surrounding the Property.

3. MINERAL PROPERTY INVESTMENT, CONTINUED

The Option also contains a provision that if the Optionors acquired the rights to the Mirage Claim, which is located in close proximity to the Property, the Company would be required to pay $4,000 and issue an additional 50,000 common shares in order to have that claim included in the Property. During the year ended December 31, 2004, the Company settled a dispute concerning the acquisition of an option on the Mirage Claim by issuing 15,000 common shares valued at $9,000 to Peter Dunlop and then paid $4,000 and issued 50,000 common shares valued at $13,000 to complete the acquisition of the option on the Mirage Claim.

Also during the year ended December 31, 2004, the Company entered into a letter of intent with San Gold Resources Corporation (“San Gold”) to acquire an option (the “MB4942 Option”) on mineral claim #MB4942 (the “Claim”) in NTS Area 52L/14 in Manitoba, paying San Gold $10,000 and issuing 50,000 common shares with a value of $16,000. In addition, in order to keep in good standing under the terms of the option and earn a 100% interest in the Claim, the Company was obligated i) to pay a total of $200,000 and issue a total of 550,000 common shares to San Gold in stages over three years and ii) to spend a total of $475,000 on exploration of the Claim in stages over four years. The Claim is subject to a 2% NSR in favor of San Gold with the Company having the right to purchase 1% of the NSR for $1,000,000 with a first right of refusal to the remaining 1%. This option is currently being renegotiated.

During the year ended December 31, 2004, the Company paid $9,016 to acquire six additional adjacent mineral claims to form part of the Property.

During the year ended December 31, 2005, the Company recorded $19,789 (2004 - $29,178) as a recovery of costs in connection with the Manitoba Mineral Exploration Assistance Program, which refunds to the Company a portion of the exploration expenses incurred on the Property.

4. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended June 30, 2006 and 2005, the Company recorded stock-based compensation expense of $34,845 and $27,181, respectively.

Included in accounts payable and accrued liabilities at June 30, 2006 is $11,366 (December 31, 2005 - $49,955) that relates to mineral property costs.

5. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of Shares		Share Capital		Contributed Surplus
Authorized					
100,000,000 common shares without par value					
Balance, December 31, 2004	8,368,548	$	10,839,807	$	51,311
Issued during the year for:					
Cash – exercise of warrants	10,000		2,600		-
Cash – private placement	1,250,000		125,000		-
Future income taxes on exploration expenditures renounced	-		(212,271)		
Stock-based compensation	-		-		42,138
Balance, December 31, 2005	9,628,548		10,755,136		93,449
Stock-based compensation	-		-		34,845
Balance, June 30, 2006	9,628,548	$	10,755,136	$	128,294

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6. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the six month periods ended June 30, 2006 and 2005 as follows:

Type of transaction	Nature of relationship	2006	2005
Accounting fees	To an officer and director	$ -	$ 15,000
Legal fees expensed or capitalized	To a law firm controlled by an officer and director	5,132	2,000
Management fees	To a company controlled by an officer and director	30,000	30,000
Geological costs	To companies controlled by directors	-	754

Included in accounts payable and accrued liabilities as at June 30, 2006 is $127,645 (December 31, 2005-$117,313) owing to related parties. Amounts owing to related parties are non-interest bearing and have no specific terms of repayment.

Included in receivables at June 30, 2006 is $3,481 (December 31, 3005 - $3,281) owing from companies with common directors.

Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.