

PARAFIN CORPORATION  
(A Development Stage Company)  
BALANCE SHEET  
AS AT MARCH 31, 2010  
UNAUDITED (Prepared by Management)

ASSETS

Current Assets:		
Account Receivable (Note 2.)	\$	2,637
Other Assets		
Investment in Bearer Bonds (Note 1.)		3,630,000,000
Investment in Preferred Shares (Note 3.)		<u>6,000,000</u>
Total Assets		<u><u>3,636,002,637</u></u>

LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)

Current Liabilities:		
Debenture payable, JRM		
Financial Services Inc.		3,191,393
Accounts payable		<u>7,982</u>
		<u>3,199,375</u>
Stockholders Equity (Deficit):		
Preferred stock, par value \$0.001, 10,000,000 shares authorized, issued and outstanding - 3,660		4
Common stock, par value \$0.001, 1,990,000,000 shares authorized, 1,080,280,671 shares issued and outstanding		1,080,281
Paid-in-capital in excess of par value		3,684,885,334
Deficit accumulated during the Development stage		<u>( 53,162,357)</u>
Total Stockholders Equity (Deficit)		<u>3,632,803,262</u>
Total Liabilities and Stockholders Equity		<u><u>\$3,636,002,637</u></u>

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

PARAFIN CORPORATION  
(A Development Stage Company)  
STATEMENTS OF OPERATIONS  
UNAUDITED (Prepared by Management)

	From Inception (October 3, 1978) to <u>March 31, 2010</u>	For the Six Months Ended <u>March 31, 2010</u>
Revenues		
Royalty Income (Note 3.)	\$ <u>113,382</u>	\$ <u>15,267</u>
General and Administrative Expenses:		
Accounting and legal	2,477,534	-
Amortization	8,143,848	-
Web Home Page	250,000	-
Depreciation	534,886	-
Consulting and management fees	32,773,473	386,000
Transfer and filing fees	183,003	3,761
Stock option expense	<u>6,394,000</u>	<u>-</u>
Total General and Administrative Expenses	<u>50,756,744</u>	<u>389,761</u>
Net (Loss) Before Other Income (Expenses)	<u>(50,643,362)</u>	<u>( 374,494)</u>
Other Income and (Expenses):		
Interest expense	( 2,541,450)	( 182,956)
Loss on Sale of P-CE (Note 2.)	( 59,552)	--
Forgiveness of debt	<u>82,007</u>	<u>--</u>
Total Other Income and Expenses	<u>( 2,518,995)</u>	<u>( 182,956)</u>
Net (Loss)	<u>\$ ( 53,162,357)</u>	<u>\$ ( 557,450)</u>
Basic and Diluted Earnings Per Share	n/a	<u>\$ ( 0.000)</u>
Weighted Average Number Of Shares Outstanding	n/a	<u>1,071,742,209</u>

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