

PARAFIN CORPORATION
(A Development Stage Company)
BALANCE SHEETS
UNAUDITED (Prepared by Management)

	ASSETS	
	September 30 <u>2010</u>	September 30 <u>2009</u>
Current Assets:		
Account Receivable (Note 3.)	\$ 1,997	\$ 98,115
Other Assets		
Investment in Bearer Bonds (Note 1.)	1,210,000,000	3,630,000,000
Investment in Preferred Shares (Note 2.)	<u>6,000,000</u>	<u>6,000,000</u>
Total Assets	<u><u>1,216,001,997</u></u>	<u><u>3,636,098,115</u></u>

LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)

Current Liabilities:		
Debenture payable, JRM Financial Services Inc.	2,267,823	3,315,517
Accounts payable	<u>8,712</u>	<u>7,982</u>
	<u><u>2,276,535</u></u>	<u><u>3,323,499</u></u>
Stockholders Equity (Deficit):		
Preferred stock, par value \$0.001, 10,000,000 shares authorized, issued and outstanding - 1,210	1	4
Common stock, par value \$0.001, 1,990,000,000 shares authorized, 1,830,280,671 shares issued and outstanding	1,830,281	804,281
Paid-in-capital in excess of par value	1,265,635,337	3,684,575,238
Deficit accumulated during the Development stage	<u>(53,740,157)</u>	<u>(52,604,907)</u>
Total Stockholders Equity (Deficit)	<u><u>1,213,725,462</u></u>	<u><u>3,632,774,616</u></u>
Total Liabilities and Stockholders Equity	<u><u>\$1,216,001,997</u></u>	<u><u>\$3,636,098,115</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 September 30, <u>2010</u>	For the Year Ended September 30, <u>2010</u>	For the Year Ended September 30, <u>2009</u>
Revenues			
Royalty Income (Note 3.)	\$ <u>129,587</u>	\$ <u>28,835</u>	\$ <u>98,115</u>
General and Administrative Expenses:			
Accounting and legal	2,487,914	10,380	--
Amortization	8,143,848	--	--
Web Home Page	250,000	--	--
Depreciation	534,886	--	--
Consulting and management fees	33,145,473	758,000	749,203
Transfer and filing fees	188,847	9,605	8,689
Stock option expense	<u>6,394,000</u>	<u>--</u>	<u>--</u>
Total General and Administrative Expenses	<u>51,144,968</u>	<u>777,985</u>	<u>757,892</u>
Net (Loss) Before Other Income (Expenses)	(<u>51,015,381</u>)	(<u>749,150</u>)	(<u>659,777</u>)
Other Income and (Expenses):			
Interest expense	(2,747,231)	(388,737)	(314,945)
Loss on Sale of P-CE (Note 2.)	(59,552)	--	--
Forgiveness of debt	<u>82,007</u>	<u>--</u>	<u>--</u>
Total Other Income and Expenses	(<u>2,724,776</u>)	(<u>388,737</u>)	(<u>314,945</u>)
Net (Loss) Basic and Diluted	<u>\$(53,740,157)</u>	<u>\$(1,137,887)</u>	<u>\$(974,722)</u>
Earnings Per Share	n/a	<u>\$(0.001)</u>	<u>\$(0.001)</u>
Weighted Average Number Of Shares Outstanding	n/a	<u>1,122,953,748</u>	<u>804,280,671</u>

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