OTTERBURN VENTURES INC.
(An Exploration Stage Enterprise)

INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE SIX MONTHS ENDED JANUARY 31, 2011

(Unaudited)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim consolidated financial statements of Otterburn Ventures Inc. (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 of the Canadian Institute of Chartered Accountants for a review of interim financial statements.

OTTERBURN VENTURES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)

BALANCE SHEETS
(Unaudited)

	Note		January 31, 2011 (Unaudited)		July 31, 2010 (Audited)
ASSETS					
Current					
Cash and cash equivalents		$	18,903	$	173,817
HST receivables			10,145		2,519
Total Current Assets			29,048		176,336
Equipment	4		905		1,090
TOTAL ASSETS		$	29,953	$	177,426
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities		$	56,468	$	37,141
Total Current Liabilities			56,468		37,141
Shareholders' Equity					
Share capital	6		1,293,367		1,293,367
Contributed surplus			307,844		307,844
Deficit			(1,627,726)		(1,460,926)
Total Shareholders' Equity			(26,515)		140,285
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	29,953	$	177,426
Nature of Operations	1				
Commitments	9				
Subsequent Events	10				

On behalf of the Board:

"Peter Hughes", Director — Peter Hughes
"Savio Chiu", Director — Savio Chiu

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

OTTERBURN VENTURES INC.
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STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(Unaudited)

	Note	Three Months Ended January 31, 2011	Six Months Ended January 31, 2011	Three Months Ended January 31, 2010	Six Months Ended January 31, 2010
EXPENSES					
Amortization expense		$ 93	$ 185	$ 265	$ 529
Automobile expense		-	-	84	84
Consulting fees		31,913	65,593	-	-
Insurance		-	-	2,007	3,845
Office and general		1,215	2,548	3,826	4,583
Professional fees		8,772	11,908	6,304	19,613
Project investigation		61,729	61,729	-	-
Rent		-	-	2,475	4,975
Transfer agent and filing fees		6,212	9,031	5,195	8,608
Travel and entertainment		1,863	4,620	1,186	1,186
Website maintenance		200	380	-	-
Write-off of mineral property	5	-	12,000	-	-
Loss before other income		(111,997)	(167,994)	(21,342)	(43,423)
Other income					
Interest Income		-	-	653	653
Gain on debt settlement		-	1,194	-	-
Net loss and comprehensive loss for the period		$ (111,997)	$ (166,800)	$ (20,689)	$ (42,770)
Deficit, beginning of the period		(1,515,729)	(1,460,926)	(953,257)	(931,176)
Deficit, end of the period		$ (1,627,726)	$ (1,627,726)	$ (973,946)	$ (973,946)
Basic and diluted loss per share		$ (0.007)	$ (0.011)	$ (0.002)	$ (0.004)
Weighted average number of common shares outstanding – Basic and diluted		15,655,000	15,655,000	11,622,742	11,622,742

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

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STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Note	Number of Shares	Common Shares $	Contributed Surplus $	Deficit $	Shareholders' Equity $
Balance – July 31, 2009		**11,555,000**	**1,088,867**	**291,844**	**(931,176)**	**449,535**
Issuance pursuant to mineral property option agreement	5	100,000	4,500	-	-	4,500
Non-brokered private placement	6	4,000,000	200,000	-	-	200,000
Debt forgiveness		-	-	16,000	-	16,000
Loss for the year		-	-	-	(529,750)	(529,750)
Balance – July 31, 2010		**15,655,000**	**1,293,367**	**307,844**	**(1,460,926)**	**140,285**
Loss for the period		-	-	-	(166,800)	(166,800)
Balance – January 31, 2011		**15,655,000**	**1,293,367**	**307,844**	**(1,627,726)**	**(26,515)**

OTTERBURN VENTURES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Note	Three Months Ended January 31, 2011	Six Months Ended January 31, 2011	Three Months Ended January 31, 2010	Six Months Ended January 31, 2010
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:					
Net loss for the period		$ (111,997)	$ (166,800)	$ (20,689)	$ (42,770)
Adjustment for items not involving cash:					
Amortization expense		93	185	265	529
Changes in non-cash operating working capital:					
(Increase) Decrease in GST/HST receivables		(4,707)	(7,626)	2,768	3,342
(Increase) Decrease in prepaid expenses		-	-	819	819
Increase (Decrease) in accounts payable and accrued liabilities		8,638	19,327	(32,420)	(23,283)
Net cash flows used in operating activities		(107,973)	(154,914)	(49,257)	(61,363)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Decrease in deferred exploration costs		-	-	58,956	58,956
Net cash flows from (used in) investing activities		-	-	58,956	58,956
Increase (decrease) in cash and cash equivalents		(107,973)	(154,914)	9,699	(2,407)
Cash and cash equivalents, beginning of the period		126,876	173,817	(2,218)	9,888
Cash and cash equivalents, end of the period		$ 18,903	$ 18,903	$ 7,481	$ 7,481
Supplemental disclosures of cash flow information	**7**				

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

OTTERBURN VENTURES INC.
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SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES
(Unaudited)

		Three Months Ended January 31, 2011		**Six Months Ended January 31, 2011**		**Three Months Ended January 31, 2010**		**Three Months Ended January 31, 2010**
Acquisition Expenditures								
Balance, beginning of the period	$	-	$	-	$	126,872	$	126,872
Incurred during the period		-		12,000		4,500		4,500
Written off during the period		-		(12,000)		-		-
Balance, end of the period		-		-	$	131,372	$	131,372
Deferred Exploration Expenditures								
Balance, beginning of the period	$	-	$	-	$	405,933	$	405,933
Incurred during the period		-		-		(58,956)		(58,956)
Balance, end of the period	$	-	$	-	$	346,977	$	346,977
Total mineral properties and deferred exploration expenditures, end of the period	$	-	$	-	$	478,349	$	478,349

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

(Expressed in Canadian Dollars, unless stated otherwise)

1. NATURE OF OPERATIONS

Otterburn Ventures Inc. (the "Company") was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity is the exploration of mineral properties.

The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principles ("GAAP") applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has not earned any operating revenues to date and is considered to be in the exploration stage. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should we be unable to continue as a going concern. Management of the Company is of the option that it will be in position to raise ongoing financing, however, there is no assurance that the Company will be able to obtain additional financing. The net carrying value of its assets may be materially less than the carrying amount stated in the balance sheets and its liabilities extinguished at values different than those stated in the balance sheets. The Company has incurred a net loss of $111,997 for the period ended January 31, 2011 (2010 - $20,689). These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

	January 31, 2011	July 31, 2010
Working capital	$ (27,420)	$ 139,195
Deficit	$ (1,627,726)	$ (1,460,926)

2. Basis of Presentation and Adoption of Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods of application as those disclosed in Note 2 of the Company's annual financial statements for the period ended July 31, 2010 and accordingly should be read in conjunction with the Company's audited financial statements for the period ended July 31, 2010. In the opinion of management, all adjustments considered necessary for the fair presentation of results for the periods presented have been reflected in these unaudited interim financial statements. Those adjustments consist only of normal recurring adjustments. Operating results of these unaudited interim periods are not necessarily indicative of result that may be expected for the full fiscal year ending July 31, 2011.

3. CHANGES IN ACCOUNTING POLICIES

Stock-based Compensation

The Company changed its accounting policy for awards of stock based compensation granted to the Company's officers, directors, employees and consultants with a graded vesting schedule. Prior to August 1, 2010, the fair value of stock options with a graded vesting schedule was recognized as compensation expense and a credit to Contributed surplus on a straight line basis over the applicable vesting period. Effective August 1, 2010, the fair value of stock options with a graded vesting schedule is determined based on different expected lives for the options that vest each year, as it would be if the award is viewed as several separate awards, each with a different vesting date, and it is accounted for on that basis. The new accounting policy provides more reliable and relevant information because it more closely reflects the substance of the expected lives of each option or unit of award.

(Expressed in Canadian Dollars, unless stated otherwise)

3. CHANGES IN ACCOUNTING POLICIES (cont'd)

The impact of the change in accounting policy for awards granted to the Company's officers, directors, employees and consultants with a graded vesting schedule was immaterial to the current or any prior periods and therefore was not adjusted

4. EQUIPMENT

As at January 31, 2011

	Cost	Accumulated Amortization	Net Book Value
Office Equipment	$ 936	$ 505	$ 431
Computer Equipment	2,867	2,393	474
	$ 3,803	$ 2,898	$ 905

As at July 31, 2010

	Cost	Accumulated Amortization	Net Book Value
Office Equipment	$ 936	$ 457	$ 479
Computer Equipment	2,867	2,256	611
	$ 3,803	$ 2,713	$ 1,090

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Suskwa Mineral Claims – Omineca Mining Division, British Columbia

On March 26, 2008, the Company obtained an assignment of an option agreement (the "Suskwa Option Agreement") to acquire an undivided 100% interest in two mineral claims called the Suskwa Mineral Claims, located in the Omineca Mining Division, BC.

The Suskwa Option Agreement, as amended by agreement dated November 17, 2008, requires total payments of $105,000 and the issuance of 600,000 common shares to CJL Enterprises Ltd. (the "Optionor", owned by Lorne Warren, a former director of the Company) over a period of four years. The Optionor retains a 2% Royalty. Exploration expenditures of $500,000 are required.

On March 28, 2008, the Company issued 100,000 common shares to the Optionor at a deemed price of $0.23 per share. On November 28, 2008, the Company issued 300,000 common shares to the Optionor at a deemed price of $0.10 per share.

The assignor, Canew Development Corp. (owned by James Newton, a former director of the Company), received $50,000 and 100,000 common shares from the Company on March 31, 2008 and March 28, 2008, respectively. The shares were issued at a deemed value of $0.23 per share.

The Optionor will receive an advance royalty of $20,000 and payable on September 30 of each year, commencing on September 30, 2011. The advance royalties will be credited to the royalty due on commencement of commercial production. Within 15 business days after the commencement of commercial production, the Company shall issue 200,000 common shares to the Optionor and pay 2% Royalty on minerals from the Suskwa Mineral Claims. 1% of the Royalty may be purchased at any time for a purchase price of $1,000,000.

(Expressed in Canadian Dollars, unless stated otherwise)

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (cont'd)

On October 27, 2009, the Company entered into an amendment with the Optionor of Suskwa property to defer the cash portion of the property payment of $40,000 due on September 30, 2009 to September 30, 2010.

On November 20, 2009, the Company issued 100,000 common shares to the Optionor at a deemed price of $0.045 per share.

The payment, share issuance and exploration expenditure requirements are as follows:

	Date	**Cash**	**Shares**	**Exploration Expenditures**
Year 1	On September 30, 2007	$5,000 (*)		
	On March 31, 2008	$10,000 (*)		
	On March 28, 2008		100,000 (issued)	$ 50,000 (spent)
Year 2	On or before December 31, 2008	Nil	300,000 (issued)	$100,000 (spent)
Year 3	On September 30, 2009		100,000 (issued)	$100,000 (spent)
	On September 30, 2010	$40,000		
Year 4	On September 30, 2010	$50,000	100,000	$250,000

* Paid by assignor.

During the year ended July 31, 2010, the Company received a B.C. Mineral Exploration tax credit of $100,936.

On September 29, 2010, the Company decided to terminate the Suskwa Option Agreement and returned the claims to the Optionor. As the result, the remaining outstanding option obligations were not fulfilled. The Company wrote off all the related exploration expenditures and acquisition costs of the Suskwa property in fiscal year 2010. As a condition to terminate the option agreement, the Company paid $12,000 to the Optionor on October 4, 2010 and the Optionor agreed to release the Company from leaving the claims in good standing for a period of at least 12 months from the date of termination. The Company wrote off this amount at the period ended October 31, 2010.

6. SHARE CAPITAL

a) **Authorized**: Unlimited common shares without par value**.**

b) **Issued and Outstanding:** At January 31, 2011, there were 15,655,000 common shares issued and outstanding (July 31, 2010 – 11,555,000).

c) **Details of common shares are as follows:**

i. On November 20, 2009, the Company issued 100,000 common shares at a deemed value of $0.045 per share for a total of $4,500 pursuant to the Suskwa Option Agreement (Note 5).

ii. On July 20, 2010, the Company closed a non-brokered private placement raising gross proceeds of $200,000. The private placement consisted of the issuance of 4,000,000 common shares at a price of $0.05 per share.

(Expressed in Canadian Dollars, unless stated otherwise)

6. SHARE CAPITAL (cont'd)

d) Share Purchase Warrants

	Number of Options	Exercise Price
Outstanding and exercisable as at July 31, 2008 and 2009	250,000	$ 0.30
Expired/cancelled	(250,000)	0.30
Outstanding and exercisable as at July 31, 2010 and January 31, 2011	-	$ -

d) Stock Options

The Company has a stock option plan whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options are exercisable for a maximum term of 5 years.

Option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable as at July 31, 2009	1,365,000	$ 0.08
Expired/cancelled	(847,500)	(0.10)
Outstanding and exercisable as at July 31, 2010	517,500	$ 0.05
Expired/cancelled	(517,500)	(0.05)
Outstanding and exercisable as at January 31, 2011	-	-

As of July 31, 2010, 847,500 options expired or cancelled without exercising. 50,000 options were expired without exercising 30 days after the resignation of a former senior officer. 250,000 options expired without exercising on January 30, 2010. 30,000 options were expired 30 days after the consulting agreement was terminated on June 30, 2009. 317,500 options were cancelled on April 30, 2010. 200,000 options were cancelled on July 31, 2010.

517,500 options expired on August 5, 2010 without exercising due to resignations of former directors of the Company. As of January 31, 2011, no options remained outstanding.

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

(Expressed in Canadian Dollars, unless stated otherwise)

6. SHARE CAPITAL (cont'd)

d) Stock Options (cont'd)

The following assumptions were used for the Black Scholes valuation of stock options granted:

	2010	2009
Risk-free interest rate	-	2.57%
Expected dividend yield	-	0.00%
Expected stock volatility	-	146%
Expected option life in years	-	4.80 years
Weighted average fair value of stock options granted	-	$0.07

e) Escrow Shares

At January 31, 2011, the Company has 582,000 common shares held in escrow by the Company's transfer agent. The common shares in escrow will be released at a rate of 15% every six months.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2011	2010
Interest paid in cash	$ -	$ -
Income taxes paid in cash	$ -	$ -

During fiscal year 2010, the significant non-cash investing activities included 100,000 shares issued at a deemed price of $0.045 per share a total of $4,500 pursuant to the Suskwa Option Agreement (Note 5).

During the period ended January 31, 2011, there were no significant non-cash transactions.

8. RELATED PARTY TRANSACTIONS

For the period ended January 31, 2011, the Company has paid management consulting fees of $7,500 (January 31, 2010 - $Nil) to the director of the Company for providing corporate management services (the "Management Services") and accrued $7,500 (January 31, 2010 - $Nil) to a company owned by a director of the Company for providing corporate communication services (the "Corporate Communication Services").

For the period ended January 31, 2011, the Company has paid consulting fees of $7,500 (January 31, 2010 - $Nil) and accrued $7,500 (January 31, 2010 - $Nil) to a consulting firm affiliated to a director of the Company.

On June 1, 2010, the Company entered into a consulting services agreement with the Company's CEO and director for providing corporate Management Services. The term of agreement is 24 months beginning June 1, 2010 and the Company will pay $2,500 plus applicable taxes per month for the management services provided.

8. RELATED PARTY TRANSACTIONS (cont'd)

On June 1, 2010, the Company entered into a consulting services agreement with TransMax Investing, a company owned by a director of the Company, for providing Corporate Communication Services. The term of agreement is 24 months beginning June 1, 2010 and the Company will pay $2,500 plus applicable taxes per month for the Corporate Communication Services provided.

On June 1, 2010, the Company entered into an advisory agreement (the "Advisory Agreement") with a consulting firm to provide accounting and administrative services (the "Advisory Services"). The term of agreement is 12 months and the Company will be charged $5,000 cash fee plus applicable taxes per month for the Advisory Services provided. The cash fee will increase to $10,000 plus applicable tax per month commencing with the calendar month immediately following the month in which the Company successfully completed a private placement greater or equal to $500,000. A director of the Company is also the chairman of the consulting firm. In addition, the Company also agreed to grant 300,000 stock options where each option will entitle the purchase of one common share of the Company at market price for a period of five years from the date of issuance, subject to the Company's stock option plan and applicable securities rules and regulations. As of January 31, 2011, the options have not been granted.

These transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

Also see Note 5.

9. COMMITMENTS

See Note 8.

10. SUBSEQUENT EVENTS

On March 21st, 2011, the Company signed four letter of intents with the Lake Victoria Mining Company Inc. proposing the right for the Company to acquire up to an undivided 70% interest in the following four projects, North Mara Gold Project, Kalemela Gold Project, Singida Gold Project and Geita Gold Project located in Lake Victoria Greenstone Belt in Tanzania, East Africa.

On March 31st, 2011, the Company announced a non-brokered private placement of up to 11,111,111 units at a price of $0.45 per unit, for gross proceeds of up to $5,000,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share of the Company at a price of $0.65 per share for a period of two years from the closing date of the private placement.