SURREY CAPITAL CORP.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2010

SURREY CAPITAL CORP.

FINANCIAL STATEMENTS

NOVEMBER 30, 2010

CONTENTS

SURREY CAPITAL CORP.
BALANCE SHEET
(All Amounts are in Canadian Dollars)

As at	November 30, 2010	October 12, 2010
A S S E T S		
CURRENT		
Cash (Note 4)	$ 90,539	$ 99,250
Sundry receivable	1,526	750
Deferred financing costs	34,266	29,000
	$ 126,331	$ 129,000
L I A B I L I T I E S		
CURRENT		
Accounts payable and accrued liabilities	$ 7,406	$ 4,000
	7,406	4,000
CONTINGENCY (Note 6)		
S H A R E H O L D E R S' E Q U I T Y		
CAPITAL STOCK (Note 5)		
Issued and Outstanding - 2,500,000	125,000	125,000
ACCUMULATED DEFICIT	(6,075)	- - -
	118,931	125,000
	$ 126,331	$ 129,000

SURREY CAPITAL CORP.
STATEMENT OF SHAREHOLDERS' EQUITY
(All Amounts are in Canadian Dollars)

For the Period from September 13 to November 30, 2010

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Deficit	Shareholders' Equity
Balance, September 13, 2010	- - -	$ - - -	$ - - -	$ - - -	$ - - -
Issuance of common shares for cash	2,500,000	125,000	- - -	- - -	125,000
Loss for the period	- - -		- - -	(6,075)	(6,075)
Balance, November 30, 2010	2,500,000	$ 125,000	$ - - -	$ (6,075)	$ 118,925

SURREY CAPITAL CORP.
STATEMENT OF OPERATIONS
(All Amounts are in Canadian Dollars)

For the Period from September 13 to November 30, 2010

EXPENSES	
General and administrative	$ 6,075
	6,075
NET LOSS AND COMPREHENSIVE LOSS	$ (6,075)
EARNINGS (LOSS) PER COMMON SHARE	
Loss per common share – basic and diluted	$ 0.00
Weighted average common shares outstanding – basic and diluted	2,442,308

SURREY CAPITAL CORP.
STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Period from September 13 to November 30,	2010
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	$ (6,075)
Net change in non-cash operating items	
Sundry receivables	(1,526)
Accounts payable and accrued liabilities	7,406
CASH FLOWS USED IN OPERATING ACTIVITIES	(195)
CASH FLOWS FROM FINANCING ACTIVITIES	
Deferred financing costs	(34,266)
Issuance of capital stock	125,000
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	90,734
NET DECREASE IN CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS - Beginning of Year	- - -
CASH AND CASH EQUIVALENTS - End of Year	$ 90,539
SUPPLEMENTAL INFORMATION	
Interest received	$ —
Interest paid	—
Income taxes paid	—

1. Nature of Organization

Description of the Business

Surrey Capital Corp. (the "**Corporation**") was incorporated under the Business Corporations Act (*Ontario*) on September 13, 2010 with the intent to being classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**") corporate finance manual. The Corporation has no assets other than cash, sundry receivables and deferred financing costs and proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt and, if required, shareholders' approval.

Basis of Operations

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on a going concern basis, which assumes that the Corporation 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.

As a Capital Pool Company, the proceeds raised by the Corporation from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and $210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

As the Corporation has not commenced meaningful or material operations nor has it incurred material operating expenses or earned revenues, a Statement of Operations has not been provided as the information contained therein would not be useful.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using the following significant accounting policies:

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks, money market accounts, and other short-term investments with original maturities of 90 days or less. Balances of cash and cash equivalents in financial institutions may at times exceed the government-insured limits.

Deferred Financing Costs

These costs relate directly to the proposed issuance of capital stock by the Corporation. The costs will reduce the carrying value for financial statements purposes for those shares when issued by the corporation. Upon completion of the financing, the deferred financing costs incurred will be charged against capital stock.

2. Summary of Significant Accounting Policies - continued

Use of Estimates
The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management of the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Estimates are used when accounting for items and matters such as accrued liabilities.

Accordingly, the Corporation's measurements are based upon management's best estimates based on existing knowledge, which reflect the Corporation's planned courses of action and probable economic conditions; however, it is possible that actual events may be different from those anticipated. Accordingly, such differences could impact the carrying values of these assets and liabilities as well as future results of operations and cash flows.

Stock-based Compensation
Stock options issued by the Corporation are accounted for in accordance with the fair value based method of accounting as per Section 3870, Stock-based Compensation and Other Stock-Based Payments, of the Canadian Institute of Chartered Accountants ("**CICA**") Handbook ("**HB**"). The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to earnings with the offsetting amount recorded to contributed surplus. When options are exercised, the amount received, together with the amount previously recorded in contributed surplus are added to capital stock. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

Future Income Taxes
Income taxes are calculated using the liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in the period that substantive enactment occurs. To the extent that the Corporation does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the amount.

Costs of Raising Capital
Incremental costs incurred in respect of raising capital are charged against equity proceeds raised.

Foreign Currency Translation
The transactions concluded in foreign currencies are translated according to the temporal method. Monetary items are translated at the rate of exchange at the balance sheet dates, non-monetary items are translated at historical exchange rates and revenue and expenses are translated at the average exchange rate for the year. Amortization of non-monetary assets are translated at the same exchange rate as to the related asset. Foreign exchange gains and losses are included in income.

Earnings Per Share
Earnings per share are calculated using the weighted average number of shares outstanding during the year. The treasury stock method of calculating diluted earnings per share is used, which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation.

2. Summary of Significant Accounting Policies - continued

Financial Instruments
The following is a summary of the accounting model the Corporation has elected to apply to each of its significant categories of financial instruments outstanding at November 30, 2010:

Cash	Held-for-trading
Sundry receivables	Held-for-trading
Accounts payable and accrued liabilities	Other financial liabilities

Carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying value	Fair value
Held-for-trading	$ 92,065	$ 92,065
Other financial liabilities	$ 7,406	$ 7,406

The Corporation initially measures all its financial instruments at fair value. Subsequent measurement and treatment of any gain or loss is recorded as follows:

(a) Held-for-trading financial assets are measured at fair value at the balance sheet date with any gain or loss recognized immediately in net income. Interest and dividends earned from held-for-trading are also included in income for the period.

(b) Other financial liabilities are measured at amortized cost using the effective interest method.

(c) Transaction costs that are directly attributable to the issuance of financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method. Any gains or losses are recognized in net income.

3. Future Accounting Changes

International Financial Reporting Standards
In February 2008, the Canadian Accounting Standards Board ("**AcSB**") confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("**IFRS**") for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Corporation's reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Corporation's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency and hedging activities, certain contractual arrangements, debt covenants, capital requirements and compensation arrangements.

3. Future Accounting Changes - continued

The Corporation has substantially completed the scoping and planning phase of its changeover plan and commenced the detailed assessment phase. The Corporation has designated the appropriate resources to the project to develop an effective plan and will continue to assess resource and training requirements as the project progresses. The Corporation has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The scoping and planning phase involves establishing a project management team, mobilizing organizational support for the conversion plan, obtaining stakeholder support for the project, identifying major areas, and developing a project charter, implementation plan and communication strategy. The Corporation has substantially completed the scoping and planning phase. The detailed assessment phase ("**Phase 2**") will result in accounting policies and transitional exemptions decisions, quantification of financial statement impact, preparation of shell financial statements and identification of business processes and resources impacted. The operations implementation phase ("**Phase 3**") includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at September 13, 2010, fiscal 2011 and thereafter. Phase 3 also includes ongoing training, testing of the internal control environment and updated processes for disclosure controls and procedures. Post implementation ("**Phase 4**") will include sustainable IFRS compliant financial data and processes for fiscal 2011 and beyond. The Corporation will continue to monitor changes in IFRS throughout the duration of the implementation process and assess their impacts on the Corporation and its reporting.

4. Cash

Once the Corporation has been successful in being classified as a Capital Pool Company, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange. The cash is currently held in trust by the lawyer of the Corporation.

5. Capital Stock

a) Authorized and issued

The Corporation is authorized to issue an unlimited number of common shares and unlimited preferred shares.

b) Escrow Shares

All of the 2,500,000 common shares issued prior to the offering described in note 9 and all common shares that may be acquired from treasury of the Corporation by Non Arm's Length Parties, as defined in the policies of the Exchange, of the Corporation either under the offering described in note 9 or otherwise prior to completion of the Qualifying Transaction will be deposited with the Escrow Agent under an agreement (the "**Escrow Agreement**").

All common shares acquired on exercise of stock options prior to the completion of the Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued by the Exchange.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

(All Amounts are in Canadian Dollars)

6. Contingency

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading.

7. Fair Value of Financial Instruments

(a) Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined using effective interest method by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments as follows are similar to their short-term nature:

	November 30, 2010	
	Carrying Value	Fair Value
Financial assets		
Cash	$ 90,539	$ 90,539
Sundry receivables	1,526	1,526
Financial liabilities		
Accounts payable and accrued liabilities	7,406	7,406

(b) Fair Value Hierarchy

The Corporation values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$ 90,539	$ - - -	$ - - -	$ 90,539
Sundry receivables	- - -	1,526	- - -	1,526
Total Assets	$ 90,539	$ 1,526	$ - - -	$ 92,065
Liabilities				
Accounts payable and accrued liabilities	$ - - -	$ 7,406	$ - - -	$ 7,406
Total liabilities	$ - - -	$ 7,406	$ - - -	$ 7,406

8. Capital Risk Management

The Corporation manages its common shares, stock options and warrants as capital. The Corporation’s objectives when managing capital are to safeguard the Corporation’s ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Corporation does not pay out dividends. The Corporation’s investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Corporation expects its current capital resources will be sufficient to carry its operations through its current operating period.

9. Financial Instruments and Risk Management

Risk Management
In the normal course of business, the Corporation is exposed to financial risk that arises from its indebtedness, including fluctuations in interest rates and in the credit quality of its customers. Management's involvement in operations helps identify risks and variations from expectations.

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

Liquidity Risk
Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation 's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

9. Financial Instruments and Risk Management - continued

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Obtaining long-term debt with fixed interest rates minimizes interest rate cash flow risk.

The Corporation does not trade in financial instruments and is not exposed to and significant interest rate price risk.

Market Risk
Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: credit risk, currency risk and other price risk.

Credit Risk
Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses.

As of the date of these financial statements the Corporation's only debtor is the government of Canada for goods and services ("**GST**") receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk.

Currency Risk
Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation does not have any material transactions denominated in foreign currency and is not exposed to foreign currency risk.

Other Price Risk
Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk.

Fair Values
Financial instruments include cash, sundry receivable, and accounts payable and accruals. The carrying values of these financial instruments approximate fair value due to the short term nature of financial instruments.

Sensitivity analysis
Financial instruments included in sundry receivable are classified as held-for-trading, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortizated cost. As at November 30, 2010, the carrying and fair value amounts of the Corporation's financial instruments are the same. Based on management's knowledge and experience of the financial markets, the Corporation believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Corporation.

10. Initial Public Offering

a) Filing of prospectus

On December 10, 2010, the Corporation filed a prospectus to offer a minimum of 2,000,000 common shares at $0.10 per share ($200,000) and a maximum of 5,000,000 common shares at $0.10 per share ($500,000). On January 27, 2011, the Corporation raised $492,800 by issuing 4,928,000 common shares at $0.10 per common shares.

b) Agent's compensation

The Corporation granted to a number of agents a total of 492,800 non-transferable broker warrants to purchase that number of common shares at a price of $0.10 per common share. These warrants can be exercised for a period of 24 months from the date of listing of the common shares on the Exchange, however, only 246,400 of these warrants may be exercised prior to the completion of the QT. In addition, the corporation paid the agents a commission of $49,280 and a corporate finance fee of $10,000 plus applicable taxes to the lead agent, Leede Financial Markets Inc., as compensation for acting as agent.

c) Incentive Stock Options

The Corporation granted 742,800 incentive stock options to its directors and officers to purchase an equivalent amount of common shares at a price of $0.10 per common share, expiring January 27, 2021, which vest immediately.

d) Charitable Stock Options

The Corporation granted 74,280 charitable stock options to a charity to purchase an equivalent amount of common shares at a price of $0.10 per common share, expiring January 27, 2016, which vest immediately.