FAIRMONT RESOURCES INC.

FINANCIAL STATEMENTS

AT APRIL 30, 2010

(Unaudited – Prepared by Management)

MANAGEMENT COMMENTS ON UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited financial statements of Fairmont Resources Inc., for the six months ended April 30, 2010 have been prepared by management and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

FAIRMONT RESOURCES INC.

BALANCE SHEETS

(Unaudited – Prepared by Management)

	April 30, 2010	Oct. 31, 2009
ASSETS		
CURRENT		
Cash and short-term investments	$ 108,865	$ 163,783
Short-term investments (Note 4)	350,000	-
Accounts receivable	12,871	3,802
Prepaid expenses	3,500	1,750
	475,236	169,335
DEFERRED FINANCING COSTS	-	31,450
MINERAL PROPERTY (Note 5)	136,136	132,536
	$ 611,372	$ 333,321
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	$ 2,625	$ 126,467
FUTURE INCOME TAX	–	16,128
	2,625	142,595
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	757,548	302,320
CONTRIBUTED SURPLUS (Note 7)	78,290	-
DEFICIT	(227,091)	(111,594)
	608,747	190,726
	$ 611,372	$ 333,321

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS (Note 9)

Approved on behalf of the Board:

"Robert Coltura"	*"Jerry Minni"*
Director	Director

FAIRMONT RESOURCES INC.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(Unaudited – Prepared by Management)

	Three Months Ended April 30, 2010	Three Months Ended April 30, 2009	Six Months Ended April 30, 2010	Six Months Ended April 30, 2009
EXPENSES				
Advertising and promotion	$ 4,421	$ -	$ 4,421	$ -
Bank charges	103	-	103	-
Investor communications	1,187	-	1,187	-
Management and administration fees	12,000	-	22,500	-
Office and miscellaneous	2,361	-	2,425	-
Professional fees	8,401	-	14,443	-
Rent	2,000	-	3,500	-
Stock based compensation	78,290	-	78,290	-
Transfer agent and filing fees	1,552	-	1,552	-
Travel	3,204	-	3,204	-
	113,519	-	131,625	-
LOSS BEFORE INTEREST INCOME AND INCOME TAXES	(113,519)	-	(131,625)	-
INTEREST INCOME	-	-	-	-
LOSS BEFORE INCOME TAXES	(113,519)	-	(131,625)	-
FUTURE INCOME TAX RECOVERY	11,602	-	16,128	-
NET LOSS AND COMPREHENSIVE LOSS	(101,917)	-	(115,497)	-
DEFICIT, BEGINNING OF PERIOD	(125,174)	-	(111,594)	-
DEFICIT, END OF PERIOD	$ (227,091)	$ -	$ (227,091)	$ -
LOSS PER SHARE, basic and diluted	$ (0.023)	$ (0.00)	$ (0.025)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	4,496,667	0	4,496,667	0

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

FAIRMONT RESOURCES INC.

STATEMENTS OF CASH FLOWS

(Unaudited – Prepared by Management)

	Three Months Ended April 30, 2010	Three Months Ended April 30, 2009	Six Months Ended April 30, 2010	Six Months Ended April 30, 2009
OPERATING ACTIVITIES				
Net loss	$ (101,917)	$ -	$ (115,497)	$ -
Item not affecting cash				
Future income tax recovery	(11,602)	-	(16,128)	-
Stock based compensation	78,290		78,290	
	(35,229)	-	(53,335)	-
Changes in non-cash working capital items:				
Amounts receivable	(2,346)	-	(9,069)	-
Prepaid expenses	(3,500)		(1,750)	
Accounts payable and accrued liabilities	(53,058)	-	(123,842)	-
	(94,133)	-	(187,996)	-
FINANCING ACTIVITIES				
Issuance of shares, net	455,228	-	455,228	-
Deferred financing costs	79,467	-	31,450	-
	534,695	-	486,678	-
INVESTING ACTIVITY				
Short-term investments	(350,000)	-	(350,000)	-
Mineral property acquisition and exploration costs	(3,600)	-	(3,600)	-
	(353,600)	-	(353,600)	-
INCREASE (DECREASE) IN CASH	86,962	-	(54,918)	-
CASH, BEGINNING OF PERIOD	21,903	-	163,783	-
CASH, END OF PERIOD	$ 108,865	$ -	$ 108,865	$ -
SUPPLEMENTAL INFORMATION				
Interest paid	$ -	$ -	$ -	$ -
Income taxes paid	$ -	$ -	$ -	$ -

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Fairmont Resources Inc. (the “Company”) was incorporated on May 25, 2007 under the British Columbia Business Corporations Act as Strike Explorations Corp. On April 23, 2009, the Company changed its name to Fairmont Resources Inc. The Company is primarily engaged in the acquisition, exploration and development of mineral properties. At April 30, 2010, the Company had not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral property.

The Company incurred a loss of $101,917 for the three months ended April 30, 2010 and accumulated deficit of $227,091 which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim financial statements follow the same significant accounting policies and methods of application as the Company’s financial statements for the year ended October 31, 2009. The interim financial statements should be read in conjunction with those financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included.

3. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2009, the AcSB issued CICA Handbook Section 1582, “Business Combinations”, which replaces Section 1581, “Business Combinations”. The AcSB also issued Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”, which replace Section 1600, “Consolidated Financial Statements”. These new sections are based on the International Accounting Standards Board’s (“IASB”) International Financial Reporting Standard 3, “Business Combinations”. These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company does not expect that the adoption of these standards will have a material impact on the Company’s financial statements.

3. RECENT ACCOUNTING PRONOUNCEMENTS - continued

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

4. SHORT-TERM INVESTMENTS

At April 30, 2009, the Company held short-term investments comprising of the following:

	Maturity	Principal	Accrued Interest
Term investments at 0.85% annual interest	April 15, 2013	$ 350,000	$ Nil

5. MINERAL PROPERTY

	April 30, 2010	October 31, 2009
Nicoamen River Claims, Kamloops Mining Division, BC		
Acquisition costs	$ 10,000	$ 10,000
Maintenance fees	4,224	4,224
Surveying and line cutting	90,098	90,098
Consulting	21,200	17,600
Assays	1,516	1,516
Other	9,098	9,098
Balance, end of period	$ 136,136	$ 132,536

5. MINERAL PROPERTY - continued

Nicoamen River

On July 30, 2009, the Company entered into an option agreement to acquire an initial 51% interest in the Nicoamen River Claims located in the Kamloops Mining Division, British Columbia. In order to earn its interest the Company agreed to make $25,000 cash payments to the optionor and incur $300,000 exploration expenditures as follows:

		Cash	Minimum Expenditures
(i)	On execution of the Agreement (paid)	$ 10,000	$ –
(ii)	By December 31, 2009 (completed)	–	100,000
(iii)	By the first anniversary of the date the Company's common shares are listed for trading on the TSX Venture Exchange (the "Listing Date")	15,000	200,000
		$ 25,000	$ 300,000

The Company may acquire an additional 9% interest in the Nicoamen River Claims by issuing 300,000 common shares to the optionor and incurring $1,700,000 exploration expenditures as follows:

		Number of Common Shares	Minimum Expenditures
(i)	By the second anniversary of the Listing Date	–	$ 300,000
(ii)	By the third anniversary of the Listing Date	50,000	500,000
(iii)	By the fourth anniversary of the Listing Date	100,000	–
(iv)	By the fifth anniversary of the Listing Date	150,000	900,000
		300,000	$ 1,700,000

6. RELATED PARTY TRANSACTIONS

As of April 30, 2010, the following items were included in the determination of the net loss for the periods recorded at their exchange amounts:

a) Management and administration fees of $22,500 (2009: $Nil) were incurred from companies controlled by directors of the Company.

b) Accounting fees of $6,550 (2009: $Nil) were incurred from a firm in which the principal is director of the Company.

c) Rent of $3,500 (2009: $Nil) was incurred from a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities are $2,625 (October 31, 2009: $2,100) to companies controlled by directors of the Company.

The amounts due to director are non-interest bearing, unsecured and with no scheduled terms of repayment.

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and fully paid

	Number of Shares	Amount	Contibuted Surplus
Balance, October 31, 2008	1	$ -	$ -
Issued for cash			
At $0.001 per share	1,139,999	1,140	-
Fair value adjustment on 1,139,999 shares	-	90,060	-
At $0.08 per non-flow through share	1,765,000	141,200	-
At $0.08 per flow through share	1,250,000	100,000	-
Renunciation of flow-through expenditures	-	(30,080)	-
Balance, October 31, 2009	4,155,000	302,320	-
At $0.15 per share	4,000,000	600,000	-
Share issue costs	-	(159,772)	-
Issued as agents commissions	100,000	15,000	-
Stock based compensation			
Agents warrants	-	-	42,629
Directors stock options	-	-	35,661
Balance, April 30, 2010	8,255,000	$ 757,548	$ 78,290

c) Escrow shares

At April 30, 2010, pursuant to an escrow agreement dated December 10, 2009, 2,027,250 (October 30, 2009 – 2.252,500) of the common shares issued and outstanding were held in escrow, whereby 10% was released on the listing date and 15% is to be released every six months thereafter.

d) Stock options

The Company has established a stock option plan for directors, employees and consultants which are administered by the board of directors with full and final authority with respect to the granting of all options. The option prices shall be determined by the board, but shall not be less than the discounted market price on grant date. The maximum number of common shares issuable under the plan may not exceed 20% of the issued and outstanding common shares.

As at April 30, 2010, there are 1,100,000 stock options outstanding at an exercise price of $0.15 per share expiring December 9, 2014.

During the period ended April 30, 2010, the Company recorded a stock-option compensation charge of $35,661 in respect of the stock options granted and vested. The fair value of these stock options, which vested, is estimated using the Black-Scholes option pricing model. The assumptions used in calculating fair value are as follows:

Risk free interest rate	2.79%
Expected life of options	4.75 years
Expected dividend yield	0.0%
Expected stock price volatility	134%

7. SHARE CAPITAL - continued

e) Warrants

During the period ended April 30, 2010, the Company recorded a share issuance compensation charge of $42,629 in respect of the agent's warrants for 320,000 warrants granted at a price of $0.20 per share for a period expiring two years from the closing of the Company's initial public offering. The fair value of these warrants, which vest immediately upon completion of the initial public offering, is estimated using the Black-Scholes option pricing model. The assumptions used in calculating fair value are as follows:

Risk free interest rate	2.79%
Expected life of options	2 years
Expected dividend yield	0.0%
Expected stock price volatility	134%

8. INCOME TAXES

As at April 30, 2010, the Company had approximately $176,600 (October 31, 2009: $35,000) of non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses expire on or before 2030.

9. COMMITMENTS

The Company is obligated to make certain payments and issue shares as described in Note 5 in connection with the acquisition of its mineral property.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

As at April 30, 2010, the Company had capital resources consisting mainly of cash. The Company 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 Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and amount due to director. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash as held-for-trading and its accounts payable and amount due to director as other financial liabilities.

<u>Credit Risk</u>

The Company is not exposed to significant credit risk.

<u>Liquidity Risk</u>

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

11. FINANCIAL INSTRUMENTS - continued

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.