ARCTIC HUNTER URANIUM INC.

FINANCIAL STATEMENTS

MARCH 31, 2011

(Unaudited)

MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Arctic Hunter Uranium Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited interim financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgements based on information currently available.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ARCTIC HUNTER URANIUM INC.
BALANCE SHEETS
(Unaudited)

		DECEMBER 31, 2010		JUNE 30, 2010
ASSETS				
Current				
Cash	$	376,387	$	363,402
Accounts receivable		97,253		2,950
Prepaid expense		14,182		7,683
		487,822		374,035
Property, plant and equipment (Note 3)		380,719		-
	$	868,541	$	374,035
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	101,811	$	143,767
Asset retirement obligations (Note 3)		25,000		-
		126,811		143,767
Shareholders' equity				
Share capital (Note 5)		1,321,448		963,221
Contributed surplus (Note 5)		153,563		152,594
Warrant capital (Note 5)		247,513		192 740
Deficit		(980,794)		(1 078,287)
		741,730		230,268
	$	868,541	$	374,035

Contingency (Note 1)
Subsequent Events (Note 6)

On behalf of the Board:

“Tim Coupland”

“Robert Hall”

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

ARCTIC HUNTER URANIUM INC.
STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(Unaudited)

	THREE MONTHS ENDED MARCH 31, 2011	THREE MONTHS ENDED MARCH 31, 2010	NINE MONTHS ENDED MARCH 31, 2011	NINE MONTHS ENDED MARCH 31, 2010
PETROLEUM REVENUE	$ 247,882	$ -	$ 1,110,382	$ -
OPERATING EXPENSES				
Petroleum royalties	64,096	-	359,409	-
Petroleum production and transportation	75,719	-	170,210	-
Petroleum depletion and accretion (Note 3)	53,643	-	280,748	-
	(193,458)	-	(810,367)	-
NET PETROLEUM PRODUCTION REVENUE	54,424	-	300,015	-
ADMINSTRATIVE EXPENSES				
Consulting fees (Note 4)	33,500	17,000	60,589	48,320
Filing fees	13,058	4,727	23,068	13,808
General and administration	755	1,803	2,138	8,783
Management fees (Note 4)	19,500	10,500	43,500	31,500
Promotion	-	24,581	-	26,560
Professional fees (Note 4)	38,137	9,294	57,585	17,743
Rent	4,955	4,967	14,672	14,684
Stock-based compensation (Note 5)	-	31,203	970	31,203
	(109,905)	(104,075)	(202,522)	(192,601)
INCOME (LOSS) BEFORE OTHER ITEMS	(55,481)	(104,075)	97,493	(192,601)
OTHER ITEMS				
Future income tax recovery	-	-	-	75,000
Rent recovery (Note 4)	-	-	-	18,375
NET AND COMPREHENSIVE INCOME (LOSS)	(55,481)	(104,075)	97,493	(99,226)
DEFICIT, BEGINNING	(925,313)	(527,041)	(1,078,287)	(531,890)
DEFICIT, ENDING	(980,794)	(631,116)	(980,794)	(631,116)
NET PROFIT (LOSS) PER SHARE – BASIC AND DILUTED	$ 0.00	$ (0.01)	$ 0.01	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	14,625,500	12,550,000	13,363,778	10,845,620

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

ARCTIC HUNTER URANIUM INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	THREE MONTHS ENDED MARCH 31, 2011	THREE MONTHS ENDED MARCH 31, 2010	NINE MONTHS ENDED MARCH 31, 2011	NINE MONTHS ENDED MARCH 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ (55,481)	$ (104,075)	$ 97,493	$ (99,226)
Non-cash items:				
Stock-based compensation	-	31,203	970	31,203
Petroleum depletion and accretion	53,643	-	280,748	-
Future income tax recovery	-	-	-	(75,000)
Change in non-cash working capital items:				
Accounts receivable	186,463	(4,943)	(94,303)	(10,976)
Prepaid expense	(9,000)	(3,500)	(6,500)	(3,500)
Accounts payable and accrued liabilities	(310,168)	(3,954)	(25,556)	(70,848)
Net cash provided by (used in) operating activities	(134,543)	(81,769)	252,852	(228,347)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,078)	-	(636,467)	(26,686)
Net cash used in investing activities	(7,078)	-	(636,467)	(26,686)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued	153,000	-	425,000	689,000
Shares to be issued	(28,000)	-	-	-
Due to related parties	-	-	-	(56,825)
Share issuance costs	(28,400)	(8,926)	(28,400)	(84,153)
Net cash provided by financing activities	96,600	(8,926)	396,600	548,022
INCREASE (DECREASE) IN CASH	(45,021)	(90,695)	12,985	292,989
CASH, BEGINNING	421,408	521,868	363,402	138,184
CASH, ENDING	$ 376,387	$ 431,173	$ 376,387	$ 431,173
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid for:				
Interest	$ -	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Arctic Hunter Uranium Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on February 21, 2006. The Company is in the business of acquiring and exploring oil and gas properties.

Going Concern

These financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2011, the Company had working capital of $386,011 (June 30, 2010 – $230,268) and has incurred losses since inception of $980,794. Should the Company be unable to continue as a going concern, significant adjustments to asset values may be necessary. The ability of the Company to continue as a going concern is dependent upon the Company raising sufficient financing to complete exploration and development activities, the discovery of economically recoverable reserves, and upon future profitable operations or proceeds from disposition of resource property interests. Management is also aware that significant material uncertainties exist, related to current economic conditions that could cast doubt upon the Company's ability to continue to finance its exploration activities. Management is not able to assess the likelihood or timing of improvements in the equity markets for raising capital for future acquisitions or expenditures. These uncertainties represent a liquidity risk and may impact the Company's ability to continue as a going concern in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods of their application as at the most recent audited financial statements for the year ended June 30, 2010. Certain information and footnote disclosure normally included in annual financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim financial statements should be read together with the audited annual financial statements the accompanying notes for the year ended June 30, 2010. In the opinion of management, the Company's interim financial statements contain all adjustments necessary in order to present a fair statement of the financial position and the results of operations and cash flows for the interim period presented.

b) Oil and Gas Properties

(i) Full cost method

The Company follows the full cost method of accounting for oil and gas properties whereby all costs related to the exploration and development of oil and gas properties are capitalized in one Canadian cost centre. Such costs include land acquisition costs, geological and geophysical expenses, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells, and field equipment. Costs of investigating properties not acquired are expensed to operations during the year.

Gains or losses are not recognized upon disposition of oil and gas properties unless crediting the proceeds against accumulated costs would result in a change in the rate of depletion of 20% or more.

Capitalized costs are depleted on the unit of production method based on estimated proven oil and gas reserves as determined by the Company and substantiated by independent professional engineers. Oil and gas reserves are converted to a common unit of measure on an energy equivalent basis of six thousand cubic feet ("mcf") of gas to one barrel of oil. Costs of acquiring and evaluating unproven properties are excluded from depletion calculations until it is determined whether or not proven reserves are attributable to the properties or impairment occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Ceiling test

The Company places a limit on the carrying value of oil and gas properties which may be depleted against revenues of future periods (the "ceiling test"). The carrying value is assessed to be recoverable when the sum of the undiscounted cash flows expected from the production of proved reserves, the lower of cost and market of unproved properties and the cost of major development projects exceeds the carrying value. When the carrying value is not assessed to be recoverable, an impairment loss is recognized to the extent that the carrying value of assets exceeds the sum of the discounted cash flows expected from the production of proved and probable reserves, the lower of cost and market of unproved properties and the cost of major development projects. The cash flows are estimated using expected future product prices and costs and are discounted using a risk-free interest rate.

iii) Asset Retirement Obligations

The Company has adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") with respect to the recognition, measurement, and disclosure of asset retirement obligations. Under this policy the Company recognizes the liabilities related to the legal obligation to abandon and reclaim property, plant and equipment upon acquisition, construction, development and/or normal use of the asset. The initial liability is measured at fair value and subsequently adjusted for the accretion of discount and changes in the fair value. The asset retirement cost is capitalized as part of oil and gas properties and depleted into earnings over time.

The Company's petroleum production activities are conducted jointly with others, and accordingly the accounts reflect only the Company's proportionate interest in such activities.

c) Revenue recognition

Oil and natural gas revenues are recorded when title passes, the amount is determinable and collection is reasonably assured.

3. PROPERTY PLANT AND EQUIPMENT

			Net book value		
Proven	**Cost** **$**	**Accumulated depletion & depreciation** **$**	**As at March 31 2011** **$**	**As at 31 March 2010** **$**	**As at 30 June 2010 (Audited)** **$**
Petroleum and natural gas properties	661,467	280,748	380,719	-	-

Pursuant to an agreement dated July 5, 2010, the Company entered into a farm-out agreement with Western Plains Petroleum Ltd. ("Western Plains")**.** Under the agreement, the Company agreed to spud one test well by July 31, 2010 subject to rig availability, surface access and regulatory approval in the Lloydminster area of western Saskatchewan, Canada. The Company pays 100% of the costs to drill, complete and equip or abandon the test well to earn a 100% working interest before payout subject to a 10% convertible overriding royalty and a 50% working interest after payout, upon conversion of the overriding royalty. The Company has no option to drill post-earning wells under the farm-out agreement. Western Plains is the operator of the test well. The test well was successfully drilled and is in production.

3. PROPERTY PLANT AND EQUIPMENT (continued)

Pursuant to an agreement dated October 15, 2010, the Company entered into a sub-participation with Alberta Star Development Corp. ("Alberta Star"), a company with common directors, to participate in two producing wells in Landrose, Saskatchewan, Canada. Alberta Star holds a 50% working interest in these two wells. The Company agreed to pay 100% of Alberta Star's share of the cost to drill complete, and equip or abandon the test wells to earn a 50% net before payout, reserving to Alberta Star a convertible overriding royalty of 10% until payout. The Company has no option to drill post-earning wells under the sub-participation agreement. Western Plains will be the operator of the test wells.

Asset Retirement Obligations

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of petroleum and natural gas properties:

	March 31, 2011 **$**
Asset retirement obligations, beginning	-
Liabilities incurred	25,000
Accretion	-
Asset retirement obligation, ending	25,000

All of these obligations are estimated to be incurred between 2018 and 2029 and will be funded from general corporate resources at that time of the retirement.

4. RELATED PARTY TRANSACTIONS

On April 1, 2006, the Company entered into a management agreement with a director of the Company. The management agreement is for an initial term of one year with a monthly remuneration of $3,500, commencing April 1, 2006 and continuing thereafter from month to month until terminated. Effective December 1, 2010, the Company increased the monthly remuneration to $6,500 per month. Management fees of $43,500 (2010 - $31,500) have been recorded for the period ended March 31, 2011.

During the period ended March 31, 2011, the Company paid consulting fees of $10,000 (2010 - $23,000) to a former director.

Effective December 1, 2010, the Company agreed to pay $1,500 per month to the Chief Financial Officer. Professional fees of $6,000 (2010 - $Nil) have been recorded for the period ended March 31, 2011.

Effective December 1, 2010, the Company agreed to pay $2,500 per month to the Vice-President of Corporate Development. Consulting fees of $10,000 (2010 - $Nil) have been recorded for the period ended March 31, 2011.

At March 31, 2011, the Company had a receivable of $33,356 (2010: $Nil) from a company with commons directors for the net production revenue in two producing wells in Landrose, Saskatchewan.

During the period ended March 31, 2011, the Company recovered $Nil (2010 - $18,375) rent from a company with common directors.

5. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares without par value.

(b) Issued

	Number of shares	Amount - $ -
Balance, June 30, 2009 and 2008	8,550,000	474,362
Common Shares issued pursuant to private placements	4,000,000	573,109
Common Shares issued pursuant to mineral property agreement	150,000	15,750
Flow-through tax benefits renounced	-	(62,500)
Indemnified loss on flow-through shares	-	(37,500)
Balance, June 30, 2010	12,700,000	963,221
Common Shares issued pursuant to flow through share private placements	560,000	126,965
Common Shares issued pursuant to private placements	1,425,000	214,862
Indemnified loss on flow-through shares	-	16,400
Balance, March 31, 2011	14,685,000	1,321,448

In December 2010, the Company completed a flow-through private placement for 560,000 units at a price of $0.25 per unit. Each unit comprises of one flow-through common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional non flow-through common share at a price of $0.35 per share for a period of one year. The Company received gross proceeds of $140,000 in connection with this placement. The fair value of the warrants was $13,035 and recorded separately (Note 5 (d)).

In December 2010 and January 2011, the Company completed a private placement for 1,425,000 units at a price of $0.20 per unit. Each unit comprises of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of $0.25 per share for a period of one year. The Company received gross proceeds of $285,000 in connection with this placement. Share issuance costs of $28,400 were paid during the period ended March 31, 2011 relating to this private placement. The fair value of the warrants was $41,738 and recorded separately (Note 5 (d)).

5. SHARE CAPITAL (continued)

(c) Stock Options

During the year ended June 30, 2010, the Company granted 100,000 stock options to investor relations consultants of the Company to purchase common shares of the Company at $0.20 per common share for a period of one year expiring January 11, 2011. These stock options vest on the following dates:

Vesting Date	**Number of options**
May 11, 2010	25,000
August 11, 2010	25,000
November 11,2010	25,000
January 11, 2011	25,000
	100,000

The fair value of $970 for the options which vested, estimated using the Black-Scholes option pricing model, was expensed during the period ended March 31, 2011. These options expired unexercised.

A summary of the Company's stock options at March 31, 2011 is presented below:

	Number of shares	Weighted average exercise price - $ -
Balance, June 30, 2010	1,105,000	0.23
Expired	(100,000)	0.20
Cancelled	(100,000)	0.20
Balance, March 31, 2011	905,000	0.23

At March 31, 2011, 905,000 of the outstanding options were exercisable.

Additional information regarding options outstanding as at March 31, 2011 is as follows:

Options outstanding - # -	Weighted average exercise contractual life - years -	Exercise price - $ -
755,000	1.68	0.25
150,000	1.78	0.20
905,000	1.70	

5. SHARE CAPITAL (continued)

(d) Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of shares	Weighted average exercise price - $ -	Weighted average contractual life - years -
Balance, June 30, 2010	4,500,000	0.27	1.12
Issued with private placement	130,000	0.35	0.73
Issued with private placement	150,000	0.35	0.75
Issued with private placement	330,000	0.25	0.73
Issued with private placement	382,500	0.25	0.77
Balance, March 31, 2011	5,492,500	0.27	1.14

During the period ended March 31, 2011, 130,000 warrants were issued pursuant to a private placement of 260,000 Units. Each warrant will entitle the holder to acquire one common share of the Company at a price of $0.35 per share on or prior to December 22, 2011. The fair value of these warrants at the date of grant was $4,708, estimated using the Black-Scholes option pricing model with an expected life of one year, interest rate of 1.66%, a dividend yield of 0% and expected volatility of 100%.

During the period ended March 31, 2011, 150,000 warrants were issued pursuant to a private placement of 300,000 Units. Each warrant will entitle the holder to acquire one common share of the Company at a price of $0.35 per share on or prior to December 30, 2011. The fair value of these warrants at the date of grant was $8,328, estimated using the Black-Scholes option pricing model with an expected life of one year, interest rate of 1.70%, a dividend yield of 0% and expected volatility of 100%.

During the period ended March 31, 2011, 330,000 warrants were issued pursuant to a private placement of 660,000 Units. Each warrant will entitle the holder to acquire one common share of the Company at a price of $0.25 per share on or prior to December 22, 2011. The fair value of these warrants at the date of grant was $17,219, estimated using the Black-Scholes option pricing model with an expected life of one year, interest rate of 1.66%, a dividend yield of 0% and expected volatility of 100%.

During the period ended March 31, 2011, 382,500 warrants were issued pursuant to a private placement of 765,000 Units. Each warrant will entitle the holder to acquire one common share of the Company at a price of $0.25 per share on or prior to January 7, 2012. The fair value of these warrants at the date of grant was $24,518, estimated using the Black-Scholes option pricing model with an expected life of one year, interest rate of 1.69%, a dividend yield of 0% and expected volatility of 100%.

	- $ -
Balance, June 30, 2010	192,740
Fair value of warrants	54,773
Balance, March 31, 2011	247,513

5. SHARE CAPITAL (continued)

(e) Contributed Surplus

	- $ -
Balance, June 30, 2010	152,593
Fair value of stock options	970
Balance, March 31, 2011	153,563

6. SUBSEQUENT EVENTS

On May 3, 2011, the Company proposed to extend the expiry date of 1,000,000 share purchase warrants (the "Warrants") exercisable to purchase one common share of the Company at an exercise price of $0.30 per share from the original expiry date of May 14, 2011 to May 14, 2012. The Warrants were issued in May 2008 in connection with a non-brokered private placement financing with an original term of three years.

Proceeds from any exercise of warrants will be used to continue to fund exploration activities and for working capital purposes.

On May 19, 2011, the Company announced a private placement of up to $75,000 through the sale of 300,000 units of the Company at a price of $0.25 per unit. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company for a period of 2 years from closing at an exercise price of $0.35.

The proceeds from the private placement will be used for exploration drilling activities in the Landrose area of west-central Saskatchewan and for general working capital.

The Company submitted an application for listing its common shares on the TSX Venture Exchange (the "Exchange") and while management believes that the Company meets the criteria for listing on the Exchange, there is no guarantee that the Company's securities will be successfully listed on the Exchange.