

LORRAINE COPPER CORP.
(An Exploration Stage Company)

Interim Financial Statements
For The Three Months Ended May 31, 2009
Unaudited – Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(1), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of 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 established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

LORRAINE COPPER CORP.

Balance Sheets

Unaudited – Prepared by Management

	May 31, 2009	Feb 28, 2009
ASSETS		
Current		
Cash	\$ 103,244	\$ 122,605
Accounts receivable	82	376
	103,326	122,981
Mineral Property Interests (Notes 1 and 4)	5,130,411	5,132,610
Equipment (Note 5)	876	841
	\$ 5,234,613	\$ 5,256,432
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 10,521	\$ 15,653
Payable to related parties (Note 6)	25,023	22,012
	35,544	37,665
SHAREHOLDERS' EQUITY		
Share Capital (Notes 1 and 7)	5,413,322	5,413,322
Contributed Surplus (Note 7)	197,000	197,000
Deficit	(411,253)	(391,555)
	5,199,069	5,218,767
	\$ 5,234,613	\$ 5,256,432

APPROVED BY THE BOARD

"J.W. Morton" Director

"D.D. Sharp" Director

LORRAINE COPPER CORP.

Statements of Loss and Comprehensive Loss Unaudited – Prepared by Management

	Three Months Ended May 31, 2009	Three Months Ended May 31, 2008
EXPENSES		
		\$
Amortization	\$ -	-
Consulting	2,500	1,875
Dues and licenses	338	587
Bank charges	84	84
Investor relations	3,269	2,572
Legal and audit	-	-
Office	1,402	1,045
Rent	6,415	3,375
Salaries and benefits	3,805	3,092
Share-based compensation	-	197,000
Telephone	599	535
Transfer and filing fees	1,365	27,170
Loss before the following	19,777	237,335
OTHER (INCOME) / EXPENSES		
Interest income	(79)	(48)
NET LOSS AND COMPREHENSIVE LOSS	\$ 19,698	\$ 237,287
BASIC AND FULLY DILUTED LOSS PER SHARE		
	\$ 0.001	\$ 0.014
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		
	40,000,002	16,956,524

LORRAINE COPPER CORP.

Statements of Deficit Unaudited – Prepared by Management

	Three Months Ended May 31, 2009	Three Months Ended May, 31 2008
DEFICIT, BEGINNING OF PERIOD	\$ 391,555	\$ 45,796
Net loss	19,698	237,287
DEFICIT, END OF YEAR	\$ 411,253	\$ 283,083

LORRAINE COPPER CORP.

Statements of Cash Flows Unaudited – Prepared by Management

	Three Months Ended May 31, 2009	Three Months Ended May 31, 2008
Cash provided by (used in)		
Operating activities		
Net loss	\$ (19,698)	\$ (237,287)
Items not affecting cash		
Amortization	-	-
Share-based compensation	-	197,000
	(19,698)	(40,287)
Changes in non-cash working capital components		
Accounts receivable	294	(6,711)
Accounts payable and accrued liabilities	(2,121)	(29,302)
	(21,525)	(76,300)
Investing activities		
Purchase of equipment	(36)	(26)
Mineral property exploration expenditures	2,199	(680)
	2,163	(706)
Financing activities		
Cash received under plan of arrangement (Note 1)	-	2
(Payable to) advances from related parties	-	149,999
(Repayment) of advances from Lysander Minerals Corp.	-	149,999
Plan of arrangement costs (Note 1)	-	-
	-	300,000
INCREASE IN CASH	(19,362)	222,994
CASH, BEGINNING OF YEAR	122,606	-
CASH, END OF YEAR	\$ 103,244	\$ 4,965

LORRAINE COPPER CORP.

Statements of Mineral Property Expenditures
Unaudited – Prepared by Management

LORRAINE-JAJAY PROJECT

	Three Months Ended May 31, 2009	Three Months Ended May, 31 2008
ACQUISITION COSTS		
Incurring during the period	\$ -	\$ -
Balance, beginning of period	5,113,320	-
Balance, end of period	5,113,320	-
EXPLORATION EXPENDITURES		
Professional fees, field crews	-	680
Geological	-	-
Rental of Vehicles and equipment	-	-
Transportation and fuel	-	-
Field Equipment	-	-
Communications	-	-
Food and accommodation	-	-
Freight	-	-
Drilling	-	-
Assaying	-	-
Other	-	-
Total Expenditures for the period	-	680
Balance, beginning of the period	19,290	7,330
Mineral exploration tax credit	(2,199)	-
Written off during the period	-	-
Balance, end of period	17,091	8,010
MINERAL PROPERTY INTERESTS, END OF PERIOD	\$ 5,130,411	\$ 8,010

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

1. OPERATIONS

Lorraine Copper Corp. (the "Company") was incorporated in the Province of British Columbia on October 23, 2007. Its principal business activities are the acquisition and exploration of gold, copper and other precious and base metal properties.

These financial statements have been prepared on the basis that the Company is a going concern, which presumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issue of treasury shares and/or debt and on meeting the requirements, from time to time, of any lenders. These financial statements do not reflect any adjustments or reclassifications which would be necessary if the Company was unable to continue as a going concern.

On April 16, 2008, the Company completed a plan of arrangement with Eastfield Resources Ltd. ("Eastfield") and Lysander Minerals Corporation ("Lysander"). Pursuant to the arrangement, 40,000,000 common shares of the Company were exchanged for reorganization shares of Eastfield and Lysander, which were then redeemed and cancelled by Eastfield and Lysander in exchange for \$300,000 in cash and the Lorraine-Jajay mineral property, recorded at its carrying value to Eastfield and Lysander of \$ 5,113,320. Shareholders of common shares of Eastfield and Lysander now hold common shares of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and reflect the following significant accounting policies:

Financial Instruments

The Company's financial assets, other than cash, and financial liabilities are classified as:

- Accounts receivable and receivables from related parties are classified as "loans and receivables" and are measured at amortized cost. At February 28, 2009 and February 29, 2008, the recorded amounts approximate fair value.
- Accounts payable and accrued liabilities are classified as "other financial liabilities" and are measured at amortized cost. At February 28, 2009 and February 29, 2008, the recorded amount approximates fair value.

Transaction costs directly attributable to the acquisition or issue of a financial asset or liability are added to the carrying amount of the financial asset or financial liability, and are amortized to operations using the effective interest rate method.

Comprehensive Loss (Income)

Comprehensive loss (income) is the change in net assets arising from transactions and other events and circumstances from non-owner sources.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded using the declining balance method at the following annual rates:

Office equipment	20%
Computer equipment	30%

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Property Interests

The Company is currently in the exploration stage and accounts for its mineral property, whereby costs relative to the acquisition of, exploration for and development of the property are capitalized. All sales and option proceeds received are first credited against the costs of the property, with any excess credited to operations. No gains or losses are recognized on the partial sale or dispositions of the property except in circumstances which result in significant disposition of reserves. Once commercial production has commenced, these net costs are charged to future operations using the unit-of-production method based on estimated recoverable reserves. The net costs related to any abandoned property are charged to operations.

The Company reviews the carrying values of its mineral properties whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets exceeds their fair value.

Future Reclamation Costs

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of mineral property interests, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and amortized to operations over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

Share-based Compensation

The Company grants options to purchase shares under the terms described in Note 7.

When options to purchase shares are granted to directors, officers and employees, the fair value of the options on the date of the grant is recognized as a compensation expense, with a corresponding increase in contributed surplus, over the period during which the related options vest. When options to purchase shares are granted to non-employees in return for goods or services, the fair value of the options is recognized as an expense, with a corresponding increase in contributed surplus, in the period in which the goods or services are received or are expected to be received. The consideration received on the exercise of options is credited to share capital and the previously recorded compensation related to the options is transferred from contributed surplus to share capital to fully reflect the consideration for the shares issued.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Using this method, future income tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements of the Company and their respective tax bases, and for losses and other deductions carried forward, using enacted or substantially enacted income tax rates. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in operations in the period in which the change occurs. A future income tax asset is recognized when the probability of realization of the asset is more likely than not.

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Loss) Income per Share

The basic (loss) income per share is computed by dividing the net (loss) income by the weighted average number of common shares outstanding during the period. The diluted income per share reflects the potential dilution of common share equivalents, such as outstanding share purchase options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. For this purpose, the "treasury stock method" is used for the assumed proceeds upon the exercise of share purchase options and warrants that are used to purchase common shares at the average market price during the period.

Income Recognition

Interest from cash is recorded on an accrual basis when collection is reasonably assured.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions about future events that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates used in these financial statements include, among others, the determination of the net recoverable value of assets, share based compensation, and future income tax assets and liabilities.

Comparative Amounts

Certain prior period amounts have been reclassified to conform to the classifications adopted in the current year's presentation.

3. NEW ACCOUNTING STANDARDS

On March 1, 2008, the Company adopted three new accounting standards described in Section 1535 *Capital Disclosures*, Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation* of the Handbook of the Canadian Institute of Chartered Accountants (the "CICA"). The requirements of these new standards are:

Capital Disclosures

Section 1535 requires the disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any external capital requirements and, if it has not complied, the consequences of such non-compliance.

As a result of the adoption of this standard, additional disclosure on the Company's capital management has been included in Note 9 to the financial statements.

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

3. NEW ACCOUNTING STANDARDS (continued)

Financial Instruments - Disclosures and Financial Instruments – Presentation

Sections 3862 and 3863 replace Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*, revising its disclosure requirements and carrying forward its presentation requirements. These new sections place increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Section 3862 requires disclosure which enable users to evaluate the significance of financial instruments for the entity's financial position and performance, the nature and extent of and exposure to risks arising from financial instruments and how the entity manages those risks. As a result of the adoption of this standard, additional disclosure on these risks has been included in Note 10 to the financial statements.

Section 3863 establishes standards for the presentation and classification of financial instruments and non-financial derivatives. The adoption of this standard did not have any impact on the classification or presentation of the Company's financial instruments.

Future Accounting Changes

The Accounting Standards Board of the CICA ratified a strategic plan in 2006 that will result in Canadian GAAP, as used by the Company, evolving and being converged with International Financial Reporting Standards ("IFRS") over a transitional period to be completed by 2011. The International Accounting Standards Board also has projects currently under way that should result in new pronouncements which will be included in the convergence process. The Company is conducting a detailed assessment of the requirements of IFRS, with the intention of identifying differences, if any, in accounting policies, selecting the policies which are appropriate for the Company, identifying the appropriate disclosure in financial statements prepared under IFRS and developing an implementation plan to complete the transition to IFRS by January 1, 2011.

4. MINERAL PROPERTY INTERESTS

Lorraine-Jajay Project, Omineca Mining Division, British Columbia

The Company acquired the Lorraine-Jajay mineral property through the plan of arrangement with Eastfield and Lysander (Note 1). This property is subject to an option agreement with Teck Resources Limited ("Teck"). Teck may earn a 51% joint venture interest in the property by completing \$9,000,000 of exploration expenditures by December 31, 2010 (approximately \$8,400,000 now completed). Teck may increase its interest to 60% by funding and completing a feasibility study on the property and may further increase its interest to 65% by arranging or providing the financing for production.

5. EQUIPMENT

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 828	\$ 83	\$ 745	\$ -
Computer equipment	293	162	131	67
	<u>\$ 1,121</u>	<u>\$ 245</u>	<u>\$ 876</u>	<u>\$ 67</u>

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

6. RELATED PARTY TRANSACTIONS

During the quarter, no geological services were provided to the Company by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer, and Mincord is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs.

In the normal course of business, the Company enters into transactions with related companies for the use of equipment, services and rental of office space. The Company is related to Eastfield (Note 1) through directors in common.

7. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Issued and fully paid	Number of Shares	Amount
Issued on incorporation and balance, February 29, 2008	2	\$ 2
Issued for reorganization shares of Eastfield and Lysander (Note 1)	40,000,000	5,413,320
Balance, February 28, 2009 and May 31, 2009	40,000,002	\$ 5,413,322

Share Purchase Options

The Company grants options to directors, officers and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Under the plan, the Company will reserve up to 10% of the issued share capital for the grant of options. Options will normally vest at the date of grant for directors, officers and employees, and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

Details of outstanding common share purchase options are as follows:

	2009	
	Number of Shares	Weighted Average Exercise Price
Balance, March 1, 2008	-	\$ -
Granted, May 26, 2008	2,625,000	\$ 0.15
Balance, February 28, 2009 and May 31, 2009	2,625,000	\$ 0.15
Options exercisable, February 28, 2009 and May 31, 2009	2,625,000	\$ 0.15

The contractual weighted average remaining life of the outstanding options at February 28, 2009 is 4.24 years (2008 - nil).

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

7. SHARE CAPITAL (continued)

The Company determines the fair value of the options granted issued using the Black-Scholes option pricing model. The following weighted average assumptions were used in valuing the options granted:

	2009
Average risk-free interest rate	2.85%
Expected share price volatility	78%
Expected average period until exercise	3 years
Expected dividend yield	-

The weighted average grant date fair value of options granted during the year was \$0.15.

Warrants

Under a provision of the plan of arrangement, share purchase warrants of Eastfield and Lysander outstanding at April 16, 2008 entitled their holders to acquire 0.4 of the common share of the Company for each common share of Eastfield or Lysander that is acquired upon the exercise of a Eastfield or Lysander warrant. At May 31, 2009, none of the respective share purchase warrants of Eastfield and Lysander were outstanding. The Eastfield warrants expired unexercised on August 9, 2008 while the Lysander warrants expired unexercised on March 9, 2009.

Contributed Surplus

The total compensation expense and contributed surplus included in these financial statements for director and employee options which have vested is:

Balance, February 29, 2008	\$	-
Share-based compensation expense		197,000
<hr/>		
Balance, February 28, 2009 and May 31, 2009	\$	197,000

8. INCOME TAXES

The Company's future income tax assets and liabilities are comprised of:

	2009	2008
Future income tax assets (liabilities) arising from:		
Losses deductible against future taxable income	\$ 48,318	\$ 14,426
Equipment	(81)	-
Valuation allowance	(48,237)	(14,426)
Net future income tax assets (liabilities)	-	-

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

8. INCOME TAXES (continued)

The reconciliation of the provision for income taxes is as follows:

	2009	2008
Loss before income taxes	\$ (310,214)	\$ (45,796)
Combined federal and provincial statutory income tax rates	30.8%	31.5%
Recovery of income taxes based on statutory income tax rates	(95,546)	(14,426)
Add (deduct):		
Tax effect of losses not recognized	34,213	14,426
Non-deductible share-based compensation	60,676	-
Other	657	-
Provision for income taxes	\$ -	-

As at February 28, 2009, the Company has losses of approximately \$157,000 available for deduction against future years' taxable income. If unused, these losses will expire in varying amounts over twenty years, commencing in 2028. In addition to these tax losses, the Company has resource related expenditures of approximately \$5.1 million, which can be used to offset future Canadian taxable income and can be carried forward indefinitely.

The future benefits which may arise from these items have not been recorded in these financial statements.

9. 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 development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level.

In the management of capital, the Company includes the components of shareholders' equity and any loans payable.

The Company manages its 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 new shares or debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and any updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash, where appropriate, in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures for operations.

LORRAINE COPPER CORP.

Notes to the Financial Statements

May 31, 2009

9. MANAGEMENT OF CAPITAL (continued)

The Company currently has sufficient capital resources to meet its administrative overhead expenses through its current operating period and is confident it can raise additional funds to undertake all of its planned exploration and development activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Management believes it will be able to raise capital as required in the long term, but recognizes that there will be risks involved that may be beyond their control.

10. MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain financial risks, including credit risk and liquidity risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held through large Canadian financial institutions. The Company's receivables consist mostly of GST and Mineral Exploration Tax Credits due from the federal government of Canada. As such, the Company considers this risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 9.

Accounts payable and accrued liabilities are due within the current operating period.