

**Rally Canada Resources Ltd.**

**Financial Statements**

**For the Year ended December 31, 2012**

*(Unaudited)*

JKR.

## Rally Canada Resources Ltd.


### Management Responsibility Statement

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The management of Rally Canada Resources Ltd. is responsible for the financial information and operating data presented in this financial document.

The financial statements have been prepared by management, on behalf of the Board, in accordance with Canadian generally accepted accounting principles.

The financial statements have not been audited, readers are cautioned that these statements may not be appropriate for their purposes.



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Henry Miao, President & CEO




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Terry Zhang, CFO

**Rally Canada Resources Ltd.**  
**Balance Sheet**  
**December 31, 2012**  
*(Unaudited)*

(\$ Canadian)	2012	2011
<b>Assets</b>		
Current Assets		
Cash & Cash equivalent	1,705,793.59	410,493.29
Taxes Receivable	8,698.65	
Prepaid and Deposit	31,679.78	-
	<b>1,746,172.02</b>	<b>410,493.29</b>
Non-current Assets		
Corporate Assets	29,694.67	-
	<b>29,694.67</b>	-
<b>Total Assets</b>	<b>1,775,866.69</b>	<b>410,493.29</b>
 <b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts Payable	2,575.75	1,063.75
	<b>2,575.75</b>	<b>1,063.75</b>
Shareholders' Equity		
Share Capital	2,052,624.06	410,224.05
Retained Earnings (Deficit)	(279,333.12)	(794.51)
	<b>1,773,290.94</b>	<b>409,429.54</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,775,866.69</b>	<b>410,493.29</b>

On behalf of the Board of Directors:

  
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 Director **Henry Miao**

  
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 Director **Terry Zhang**

**Rally Canada Resources Ltd.**  
**Income Statement**  
**For the Year Ended December 31, 2012**  
*(Unaudited)*

(\$ Canadian)	2012	2011
<b>Revenues</b>		
Interest Income	3,826.90	501.40
	<b>3,826.90</b>	<b>501.40</b>
<b>Expenses</b>		
General and Administrative	277,982.47	1,063.75
Finance Costs	359.09	232.16
Foreign exchange gain/loss	107.21	
Depletion and Depreciation	3,916.74	-
	<b>282,365.51</b>	<b>1,295.91</b>
<b>Net Income (Loss)</b>	<b>(278,538.61)</b>	<b>(794.51)</b>

*Jim.*

## Rally Canada Resources Ltd.

### Notes to the Financial Statements

For the Year Ended December 31, 2012

(all amounts in Canadian dollars, unless otherwise stated)

1. The main activities for Rally Canada Resources Ltd. in year 2012 are funding and G&A.
  
2. Subsequent event

On January 6, 2013, the Company signed an Asset Conveyance Agreement with Petrofountain Energy Inc., the Company paid cash amount of \$365,800.00 and issued common shares value of \$177,190.00 to purchase Petrofountain Energy Inc.'s all of the legal and beneficial right, title, estate and interest in and to the Assets.

Some senior staff from Petrofountain Energy Inc. joined the Company right after the purchase.

*Jm.*