

RAZORE ROCK RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Razore Rock Resources Inc.:

We have audited the accompanying consolidated financial statements of Razore Rock Resources Inc. and its subsidiaries, which comprises of the consolidated balance sheets as at April 30, 2012 and 2011 and May 1, 2011 and the consolidated statements of loss and comprehensive loss, and cash flows for the years ended April 30, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making this risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

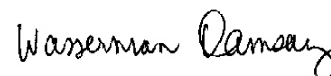
Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Razore Rock Resources Inc. and its subsidiaries as at April 30, 2012 and 2011 and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Markham, Ontario
July 12, 2012



Chartered Accountants
Licensed Public Accountants

RAZORE ROCK RESOURCES INC.

(Incorporated under the Laws of the Province of Ontario)

CONSOLIDATED BALANCE SHEETS - APRIL 30, 2012 AND 2011

	April 30 <u>2012</u>	April 30 <u>2011</u> (Note 13)	May 1, <u>2010</u> (Note 13)
ASSETS			
Current:			
Cash and cash equivalents	\$ 84,568	\$ 92,593	\$ 1,016
Cash and cash equivalents - restricted (Note 11)	-	36,400	-
H.S.T. receivable	15,045	18,151	8,879
Prepaid deposits	<u>-</u>	<u>50,800</u>	<u>9,600</u>
	<u>99,613</u>	<u>197,944</u>	<u>19,495</u>
Exploration and evaluation assets (Note 3)	<u>106,998</u>	<u>40,448</u>	<u>65,593</u>
Investments (Note 5)	<u>1,441</u>	<u>4,321</u>	<u>8,100</u>
	<u>\$ 208,052</u>	<u>\$ 242,713</u>	<u>\$ 93,188</u>
LIABILITIES			
Current:			
Accounts payable and accrued liabilities (Note 7)	\$ <u>78,529</u>	\$ <u>53,180</u>	\$ <u>35,429</u>
Non-current:			
Flow-through share premium liability	<u>-</u>	<u>11,025</u>	<u>-</u>
Minority interest	<u>59,739</u>	<u>58,930</u>	<u>59,224</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Capital stock (Note 6)	1,124,269	1,124,269	912,894
Warrants	7,500	7,500	1,250
Contributed surplus (Note 9)	88,750	13,750	12,500
Accumulated other comprehensive income	(25,560)	(22,680)	(18,901)
Deficit (Page 4)	<u>(1,125,175)</u>	<u>(1,003,261)</u>	<u>(909,208)</u>
	<u>69,784</u>	<u>119,578</u>	<u>(1,465)</u>
	<u>\$ 208,052</u>	<u>\$ 242,713</u>	<u>\$ 93,188</u>

Nature of Operation and Going Concern - Note 1

Approved on behalf of the board on July 12, 2012:

"William R. Johnstone"
William R. Johnstone, director

"Michael Wilson"
Michael Wilson, director

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Expenses:		
General administration	\$ 9,282	\$ 20,990
Business development	6,500	-
Exploration expenses	6,324	-
Stock based comp	75,000	-
Professional fees <i>(Note 7)</i>	<u>40,134</u>	<u>73,357</u>
Net loss before undernoted items	(137,240)	(94,347)
Gain on sale of marketable securities	5,110	-
Minority interest in (income) loss	<u>(809)</u>	<u>294</u>
Net loss for the year before income tax	(132,939)	(94,053)
Deferred income tax	<u>(11,025)</u>	<u>-</u>
Net loss for the year	<u>\$ (121,914)</u>	<u>\$ (94,053)</u>
Net loss per share basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of shares basic and diluted	<u>9,708,768</u>	<u>6,635,060</u>

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

(Expressed in Canadian Dollars)

	Common Shares		Reserves	Reserves	Accumulated	Deficit	Total Shareholders Equity
	# Shares	\$ Amount	Warrants	Contributed Surplus	Comp. loss		
Balance April 30, 2010	5,388,769	912,894	1,250	12,500	(18,901)	(909,208)	(1,465)
Issued private placement	3,819,999	182,875	7,200	-	-	-	190,075
Issue debt settlement	500,000	28,500	300	-	-	-	28,800
Expired warrants	-	-	(1,250)	1,250	-	-	-
Net loss for the year	-	-	-	-	(3,779)	(94,053)	(97,832)
Balance April 30, 2011	9,708,768	1,124,269	7,500	13,750	(22,680)	(1,003,261)	119,578
Share based payments	-	-	-	75,000	-	-	75,000
Net loss for the year	-	-	-	-	(2,880)	(121,914)	(124,794)
Balance April 30, 2012	9,708,768	\$ 1,124,269	\$ 7,500	\$ 88,750	\$ (25,560)	\$ (1,125,175)	\$ 69,784

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RAZORE ROCK RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the year	\$ (132,939)	\$ (94,053)
Items not requiring an outlay of cash:		
Gain on sale of investments	(5,110)	-
Share-based payments	75,000	-
Flow-through share premium liability	-	11,025
Minority interest in income	809	(294)
Net change in non-cash working capital balances related to operations <i>(Note 8)</i>	<u>79,255</u>	<u>(4,221)</u>
	<u>17,015</u>	<u>(87,543)</u>
Investments:		
Proceeds from sale of marketable securities <i>(Note 5)</i>	5,110	-
Expenditures on Exploration and evaluation assets	<u>(66,550)</u>	<u>25,145</u>
	<u>(61,440)</u>	<u>25,145</u>
Financing:		
Capital stock issued for cash	-	190,375
Restricted cash	<u>36,400</u>	<u>(36,400)</u>
	<u>36,400</u>	<u>153,975</u>
Net change in cash and cash equivalents during the year	(8,025)	91,577
Cash and cash equivalents, beginning of year	<u>92,593</u>	<u>1,016</u>
Cash and cash equivalents, end of year	<u>\$ 84,568</u>	<u>\$ 92,593</u>

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

1. Nature of Operations and Going Concern:

Razore Rock Resources Inc. is a public company incorporated under the laws of the Province of Ontario and its principal business activity is the exploration of its mineral properties. At April 30, 2012 the Company has working capital in the amount of \$21,084 (2011 - \$144,764).

The Company is considered to be in the development stage, is in the process of exploring mineral properties in Canada and has not yet determined whether these properties contain economic reserves. While these financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business, adverse conditions could cast doubt upon the validity of this assumption. Management has estimated that the Company will have adequate funds from existing working capital to meet its corporate, administrative and property obligations for the coming year. If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing, and while the Company has been successful in the past, there can be no assurance that it will be able to do so in the future.

The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or proceeds from the disposition of its interests. The amounts shown as mineral properties represent net costs to date and do not necessarily represent present or future values. If the going concern assumption was not appropriate for these financial statements, then adjustments might be necessary to the carrying values of assets and liabilities, the reported loss and the balance sheet classifications used.

2. Significant accounting policies:

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standards effective as of April 30, 2012. Previously, the Company prepared its annual financial statements in accordance with Canadian GAAP. The adoption of IFRS resulted in changes to the Company's accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out below have been applied consistently to all periods presented. They also have been applied in the preparation of an opening IFRS statement of financial position as at May 1, 2010 as required by IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from Canadian GAAP is explained in Note 13. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under previous Canadian GAAP to those reported for those periods and at the date of transition under IFRS.

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

(c) Basis of Consolidation

These financial statements are consolidated with its 84% owned subsidiary, Arctic Gold and Platinum and its 67% owned subsidiary Arctic Gold Corporation. All intercompany balances and transactions are eliminated upon consolidation.

(d) Presentation Currency

The Company's presentation currency and functional currency is the Canadian dollar ("C\$").

(e) Significant Accounting Judgments and Estimates

The preparation of financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The more significant areas

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RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

are as follows:

Critical accounting estimates

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition.

The amounts recorded for share-based payment transactions are based on estimates. The Black-Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend rate, risk-free interest rate and expected life of the options.

Management's assumption of no material restoration, rehabilitation and environmental obligation, is based on the facts and circumstances that existed during the period.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions. The valuation of Deferred income tax assets is adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash-generating units; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

(f) Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the subsidiary. Acquisition related costs are recognized in profit and loss as incurred.

Business combinations that occurred prior to January 1, 2010 were not accounted for in accordance with IFRS 3 Business Combinations or IAS 27 Consolidated and Separate Financial Statements in accordance with the IFRS 1 First-Time Adoption of International Financial Reporting Standards exemption discussed in Note 13.

(g) Cash and Cash Equivalents

Cash and cash equivalents consists of cash, demand deposits and high-interest savings vehicles.

(h) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

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RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgement that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

(i) Impairment of Non-Financial Assets

The Company's tangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. Long-lived assets that are not amortized are subject to an annual impairment assessment.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company considers each mineral property to be a cash-generating unit. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(j) Share-based Payments

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and services providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized as an expense or charged to mineral properties as appropriate, with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair value of the share purchase options is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

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RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

(k) Income Taxes

Income tax on the profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill not deductible for tax purposes; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) Loss per Share

Loss per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(m) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss, components of other comprehensive income and cumulative translation adjustments are presented in the consolidated statements of comprehensive loss and the consolidated statements of changes in shareholders equity.

(n) Financial Instruments

The Company does not have any derivative financial instruments.

All financial assets are classified into one of the following four categories: fair value through profit or loss ("FVTPL"), held to

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RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

maturity ("HTM"), available for sale ("AFS") and loans and receivables.

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value and changes are recognized in profit or loss. HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. AFS financial assets subsequent to initial recognition are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Company's cash and cash equivalents and restricted cash have been classified as FVTPL financial assets. The amounts receivable has been classified as loans and receivables. The Company's investments have been designated as AFS. The carrying value of the Company's cash, cash equivalents, and restricted cash approximates their fair value due to their short-term nature.

The Company has the following non-derivative financial liabilities: amounts payable and accrued liabilities and flow-through share premium liability. The carrying value of financial liabilities approximates their fair value due to their short-term nature. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Impairment of financial assets:

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period.

Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

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RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

(o) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available.

(p) Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either an unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(q) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense ("notional interest").

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

(r) Accounting Standards Issued but not yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after May 31, 2011 or later. Updates that are not applicable or immaterial to the Company have been excluded.

Financial Instruments: Classification and Measurement ("IFRS 9")

Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IFRS 9 introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning on or after January 1, 2013 and has not yet considered the potential impact of the adoption of IFRS 9.

In May 2011, the IASB issued the following standards, effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, which have not yet been adopted by the Company. The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

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RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

International Financial Reporting Standard 10, Consolidation (“IFRS 10”)

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

International Financial Reporting Standard 11, Joint Arrangements (“IFRS 11”)

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionally consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Controlled Entities – Non-monetary Contributions by Venturers.

International Financial Reporting Standard 12, Disclosure of Interests in Other Entities (“IFRS 12”)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

International Financial Reporting Standard 13, Fair Value Measurement (“IFRS 13”)

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

International Accounting Standard 28, Investments in Associates and Joint Ventures (“IAS 28”)

As a consequence of the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 28 has been amended and will further provide accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Company when there is joint control or significant influence over an investee.

3. Exploration and evaluation assets:

- a) By agreement dated October 27, 2005 and amended November 30, 2006 and November 14, 2007, the Company acquired, from a party related to a shareholder, a 100% interest, subject to a 3% Net Smelter Returns Royalty ("NSR") in favour of the Vendor, in 4 mining claim blocks in Sourdough Bay and Mikanagan Faults Area, Flin Flon District, Manitoba. Consideration for the acquisition of this property consists of exploration payments in the amount of \$25,000 (or cash payments in lieu of work of an equivalent value) and the issuance of 100,000 common shares of the Company.

The Company has the right to purchase one-half of the NSR from the Vendor for \$750,000.

- b) The Company acquired an additional mining claim in Sourdough Bay and Mikanagan Faults Area, Flin Flon District, Manitoba, contiguous to its existing claims, from an individual who is a shareholder and former director. Under the terms of the agreement the Company issued 100,000 common shares and reimbursed \$945 in staking costs to this individual. This related party retained a 2% Net Smelter Returns Royalty in the claim.

4. Capital Management:

The Company’s policy is to attain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risks characteristic of the underlying resource assets. As a junior resource exploration company, the Company considers its capital structure to be comprised of working capital only. In order to maintain or adjust the

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected expenditure levels.

The Company has not paid or declared any dividends since the date of its incorporation, nor are any dividends contemplated in the foreseeable future.

The Company does not have any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period.

5. Investments:

The Company had investments in AurCrest Gold Inc. (formerly - Tribute Minerals Inc.) and Gastar Exploration Ltd. ("Gastar"). During the prior year the Company sold all of its shares in Gastar for proceeds of \$2,364 resulting in a gain of \$1,910.

	<u>2012</u>	<u>2011</u>
90,000 (2011 - 90,000) shares of AurCrest Gold Inc.	\$ <u>4,321</u>	\$ <u>4,321</u>

The fair market value of its investment at year end is approximately \$1,441 (2010 - 4,321). These available for sale financial instruments have been adjusted to fair market value resulting in an comprehensive loss in the amount of \$2,880 (2010 - \$3,779 in comprehensive income) which has been reflected in other comprehensive income.

6. Capital stock:

Authorized:

Unlimited common shares

Capital stock:

	<u>2012</u>	<u>2011</u>
Common shares (see below)	\$ 1,126,194	\$ 912,894
Warrants	<u>7,500</u>	<u>1,250</u>
Balance April 30	<u>\$ 1,133,694</u>	<u>\$ 914,144</u>

Issued common shares:

	<u># shares</u>	<u>\$ value</u>
Balance April 30, 2010	5,388,769	\$ 912,894
Issued private placements	3,300,000	157,500
Issued private placements - Flow-through shares	519,999	36,400
Issued for debt settlement	500,000	28,500
Less: share issue costs related to renunciation of CEE		<u>(9,100)</u>
Balance April 30, 2012 and 2011	<u>9,708,768</u>	<u>\$ 1,126,194</u>

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

Issued warrants:

	<u># warrants</u>	<u>\$ value</u>
Balance April 30, 2010	267,000	\$ 1,250
Issued private placements	3,559,999	7,200
Issued debt settlement agreement	150,000	300
Expired unexercised	<u>(200,000)</u>	<u>(1,250)</u>
Balance April 30, 2012 and 2011	<u>3,776,999</u>	<u>\$ 7,500</u>

In the prior fiscal year the Company completed a private placement of 3,300,000 working capital units at a price of \$0.05 per unit for gross proceeds of \$165,000 with each unit consisting of one common share and one common share purchase warrant. Each warrant is exercisable into a common share at a price of \$0.10 until the earlier of: (i) the date which is eighteen (18) months following the Closing Date; and (ii) in the event that the closing price of the Common Shares is at least \$0.20 for twenty (20) consecutive trading days, and the 20th trading day (the "Final Trading Day") is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the "Trigger Date"). The Company also completed a private placement offering in the prior year of 519,999 flow through units at a price of \$0.07 per unit for gross proceeds of \$36,400 which each unit consisting of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share under the same terms as the working capital unit offering. The warrants issued in these offerings have been valued at \$7,200 using a Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate 1.19%, expected volatility of 55% and an expected life of 18 months.

During the prior year the Company issued 350,000 common shares at \$0.06 per share for \$21,000 in total to settle debt with a party related to a director. In addition, the Company issued 150,000 units to settle debt in the amount of \$7,500. Each unit consisted of one common share and one common share purchase warrant with each warrant being exercisable into one common share at a price of \$0.10 per share until the earlier of July 25, 2012 and the Trigger Date. The warrants issued have been value at \$300 using the same assumptions as noted above for the private placements.

Share based payments:

The Company has a common share purchase option plan (the "Plan") for directors, officers, employees, and consultants. Options granted under the Plan generally have a five-year term. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

For the year ended April 30, 2012, share-based payments of \$75,000 (2011 - \$Nil) was charged to loss.

The change in stock options during the year ended April 30, 2012 is as noted below:

	<u>Number of options</u>	<u>Wtd Avge exc. price</u>
At April 30, 2011	-	\$ -
Issued	550,000	\$ 0.15
At April 30, 2012	<u>550,000</u>	<u>\$ 0.15</u>

The fair value of the stock options issued in the current year was estimated using a Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 150%, risk-free interest rate of 1.53% and expected life of 5 years.

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The following table summarizes information about options outstanding at April 30, 2012:

Exercise price	Number of options	Remaining contractual life in years
0.15	550,000	4.00

Note: No options were issued or outstanding as at April 30, 2011.

Warrants:

The following table summarizes information about common share purchase warrants outstanding at April 30, 2012 and 2010:

	Warrants outstanding and exercisable	Weighted average exercise price
Outstanding April 30, 2010	267,000	0.10
Issued - private placements	3,559,999	0.10
Issued - debt settlement	150,000	0.10
Expired	<u>(200,000)</u>	<u>0.10</u>
Outstanding April 30, 2012 and 2011	<u>3,776,999</u>	<u>\$ 0.10</u>

The following table summarizes information about the warrants outstanding at April 30, 2012

Weighted. avge. Exercise Price	Warrants outstanding and exercisable	Whtd. avge. remaining contractual life in years
\$ 0.10	67,000	0.95
\$ 0.10	<u>3,709,999</u>	<u>1.24</u>
	<u>3,776,999</u>	<u>1.20</u>

7. Related party transactions and balances:

The Company's related parties consist of executive officers and directors

Related Party	Item	For the year ended April 30,	
		2012	2011
Director	Legal fees charged to statement of loss	\$ 23,849	\$ 22,462
Key Management Personnel			
	Salaries and fees charged to statement of loss	\$ -	\$ -
	Share-based payments charged to statement of loss	\$ 75,000	\$ -

In addition to the above all of the Exploration and evaluation assets owned by the Company were acquired from related parties.

For the private placements that closed during the year, 600,000 working capital units were purchased by a party related to a director and 142,858 Flow-through units were subscribed to by an individual who is a director of the Company. In addition, the

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

Company issued 350,000 common shares to settle debt of \$21,000 with a party related to a director.

The above transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

8. Supplemental cash flow information:

Net change in non-cash working capital:

	<u>2012</u>	<u>2011</u>
G.S.T receivable	\$ 3,106	\$ (9,272)
Accounts payable and accrued liabilities	25,349	46,251
Prepays	<u>50,800</u>	<u>(41,200)</u>
	<u>\$ 79,255</u>	<u>\$ (4,221)</u>
Non-cash investing and financing activities:		
Flow through share premium	\$ <u>-</u>	\$ <u>9,100</u>

9. Contributed Surplus:

Balance, May 1, 2009	\$ -
Transferred on expiration of warrants	<u>12,500</u>
Balance, April 30, 2010	12,500
Transferred on expiration of warrants	<u>1,250</u>
Balance, April 30, 2012 and 2011	<u>\$ 13,750</u>

10. Restricted cash - Flow-Through funds

During the prior year, the Company raised \$36,400 through the issuance of 519,999 shares designated as flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross proceeds for the exclusive purpose of paying for qualified exploration and development expenditures associated with its resource mineral properties.

11. Income tax:

The Company has available approximately \$381,106 (2011 - \$328,682) in non-capital loss carry-forwards which can be used to reduce the amount of tax payable in future years. The potential benefit of these losses has not been recognized in these financial statements and will expire if unused as follows:

2014	\$ 39,825
2015	12,635
2026	17,525
2027	13,280
2028	74,640
2029	41,150
2030	35,280
2031	94,347
2032	<u>52,424</u>
	<u>\$ 381,106</u>

In addition to the above noted-loss carryforwards, the Company has available approximately \$480,000 in exploration expenditures which may be deducted from taxable income without expiry. The benefit of these amounts has not been recognized in these financial statements.

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The Company's effective corporate tax rate varies from the statutory rate of tax in Canada due to the following factors:

	<u>2012</u>	<u>2011</u>
Statutory tax rate	27.50 %	31.00 %
Valuation allowance	<u>(27.50)</u>	<u>(21.30)</u>
Effective corporate tax rate	<u>-</u> %	<u>9.70</u> %

The Company has the following Deferred income tax assets:

	<u>2012</u>	<u>2011</u>
Non capital losses	\$ 95,300	\$ 82,150
Investments and Canadian exploration and development expenditures	99,578	98,860
Valuation allowance	<u>(194,878)</u>	<u>(181,010)</u>
Benefit recognized in the financial statements	<u>\$ -</u>	<u>\$ -</u>

12. Financial Risk Management:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash, short term investments, G.S.T. and other receivables and staking security deposits. The Company's cash and short term investments is held through large Canadian Financial Institutions. A large part of other receivables pertains to GST refunds with the Canada Revenue Agency. Staking security deposits are held by the Government of Manitoba. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

Fair value of financial instruments

The book value of cash and cash equivalents, receivables, and accounts payable and accrued liabilities all approximate their fair values at April 30, 2012. The Company's investment in marketable securities have been marked to market in accordance with the Company's accounting policies.

The Company 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 Company 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. Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Company.

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	Level	April 30, 2012	April 30, 2011	May 1, 2012
Fair value through profit and loss				
Cash and cash equivalents	Level 1	84,568	92,593	1,016
Cash and cash equivalents - restricted	Level 1	-	36,400	-
Available for sale				
Investments	Level 1	1,441	4,321	8,100
Financial liabilities measured at amortized cost				
Accounts payable and accrued liabilities	Level 1	78,529	53,180	35,429
Flow-through share premium	Level 2	-	11,025	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have any interest bearing assets or liabilities at the present time and therefore is not directly exposed to any interest rate risk.

Foreign currency rate risk

The Company's functional and reporting currency is the Canadian dollar. The Company does not currently have significant transactions denominated in foreign currencies and therefore is not exposed to any significant foreign currency risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

13. Conversion to IFRS

Overview

These are the Company's first condensed consolidated interim financial statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. Previously, the Company prepared its financial statements in accordance with Canadian GAAP. The accounting policies described in Note 2 are consistent with IFRS as expected to be effective on April 30, 2012, the Company's first annual IFRS reporting date. These policies have been applied in the preparation of these unaudited condensed consolidated interim financial statements, including all comparative information.

First-Time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was May 1, 2010 (the "Transition Date"). IFRS 1 requires retrospective application of IFRS effective at the end of its first annual reporting period, which for the Company will be April 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions to this retrospective treatment.

In preparing the Company's opening IFRS consolidated financial statements, the Company has adjusted amounts reported previously in the consolidated financial statements prepared in accordance with Canadian GAAP.

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The Company has elected to apply the following optional exemptions in its preparation of an opening statement of financial position dated May 1, 2010, the Company's "Transition Date":

- Business combinations

To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that occurred prior to May 1, 2010.

- Share-based payment transactions

To apply IFRS 2 Share-based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

- IAS 27 – Consolidated and separate financial statements

To apply IAS 27 Consolidated and Separate Financial Statements prospectively, as the Company has elected to apply IFRS 3 Business Combinations prospectively.

- Restoration, rehabilitation and environmental obligations

The company has elected to apply the exemption from full retrospective application of decommissioning provisions allowed under IFRS 1. As a result, the company has re-measured the provisions at May 1, 2010 under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and estimated the amount to be included in the cost of the related asset by discounting the liability to the date at which the liability first arose.

- IFRIC 4 Determining Whether an Arrangement Contains a Lease

The Company has elected to apply the transition provisions of IFRIC 4 Determining Whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date. The Company has no leases.

- Financial Instruments

Designation of AFS and FVTPL financial assets

- Estimates

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those made under Canadian GAAP.

Changes to Accounting Policies

The Company has changed certain accounting policies to be consistent with IFRS effective or available for early adoption on April 30, 2012, the Company's first annual IFRS reporting date. Adoption of IFRS has had no material impact on the Company's statements of cash flows for the three months ended July 31, 2011 and the twelve months ended April 30, 2011. The changes to accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements, except as disclosed below .

a) Impairment of (non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP required a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies relating to impairment of non-financial assets have been changed to reflect these differences and there is no impact on the financial statements.

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the financial statements .

c) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Under IFRS, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available. Under Canadian GAAP, the Company recorded the tax cost of expenditures renounced to subscribers on the date the deductions were renounced to the subscribers. Share capital was reduced and deferred income tax liabilities were increased by the tax cost of expenditures renounced to the subscribers, except that the amount was recognized as a tax recovery to the extent that suitable deferred tax assets were available.

Effect on Statement of Financial Position:

	Three months ended July 31,		Year ended April 30,	
	2011	2010	2011	2010
Decrease share capital	\$ -	\$ -	\$ 1,925	\$ -
Recognize flow-through share premium liability	\$ -	\$ -	\$ 11,025	\$ -
Increase deficit	\$ -	\$ -	\$ 9,100	\$ -

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

Reconciliation of Canadian GAAP to IFRS

The Canadian GAAP statement of financial position as at May 1, 2010 has been reconciled to IFRS as follows:

	Cdn GAAP	Effect of transition to IFRS	IFRS
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,016	\$ -	\$ 1,016
Cash and cash equivalents - restricted	-	-	-
Prepaid expenses	9,600	-	9,600
H.S.T. receivable	8,879	-	8,879
	19,495	-	19,495
Non-current assets:			
Exploration and evaluation assets	65,593	-	65,593
Investments	8,100	-	8,100
	\$ 93,188	\$ -	\$ 93,188
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 35,429	\$ -	\$ 35,429
Non-controlling interest	59,224	-	59,224
SHAREHOLDERS' EQUITY			
Common shares	912,894	-	912,894
Warrants	1,250	-	1,250
Contributed Surplus	12,500	-	12,500
Deficit	(909,208)	-	(909,208)
Accumulated other comprehensive income	(18,901)	-	(18,901)
	(1,465)	-	(1,465)
	\$ 93,188	\$ -	\$ 93,188

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The Canadian GAAP statement of financial position as at April 30, 2011 has been reconciled to IFRS as follows:

	Cdn GAAP \$	Effect of transition to IFRS \$	IFRS \$
ASSETS			
Current assets			
Cash and cash equivalents	\$ 92,593	\$ -	\$ 92,593
Cash and cash equivalents - restricted	36,400	-	36,400
Prepaid expenses	50,800	-	50,800
H.S.T. receivable	18,151	-	18,151
	197,944	-	197,944
Non-current assets:			
Exploration and evaluation assets	40,448	-	40,448
Investments	4,321	-	4,321
	\$ 242,713	\$ -	\$ 242,713
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 53,180	\$ -	\$ 53,180
Non-current liabilities:			
Flow-through share premium liability	-	11,025	11,025
Non-controlling interest	58,930	-	58,930
SHAREHOLDERS' EQUITY			
Common shares	(c) 1,126,194	(1,925)	1,124,269
Warrants	7,500	-	7,500
Contributed Surplus	13,750	-	13,750
Deficit	(c) (994,161)	(9,100)	(1,003,261)
Accumulated other comprehensive income	(22,680)	-	(22,680)
	(c) 130,603	(11,025)	119,578
	\$ 242,713	\$ -	\$ 242,713

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The Canadian GAAP statement of comprehensive loss for the year ended April 30, 2011 has been reconciled to IFRS as follows:

	Cdn GAAP \$	Effect of transition to IFRS \$	IFRS \$
EXPENSES			
General administration	\$ 20,990	\$ -	\$ 20,990
Professional fees	73,357	-	73,357
Net loss before undernoted	94,347	-	94,347
Non-controlling interest in loss	(294)	-	(294)
Net loss for the year before income tax	94,053	-	94,053
Deferred income tax (c)	9,100	(9,100)	-
Net loss for the year	\$ 84,953	\$ (9,100)	\$ 94,053

The accompanying notes form an integral part of these consolidated financial statements

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The Canadian GAAP statement of cash flows for the year ended April 30, 2011 has been reconciled to IFRS as follows:

		Cdn GAAP \$	Effect of transition to IFRS \$	IFRS \$
Cash was provided by (used in) the following activities:				
Operations:				
Net loss for the year	(c)	\$ (84,953)	\$ (9,100)	\$ (94,053)
Items not requiring an outlay of cash:				
Deferred income tax	(c)	(9,100)	9,100	-
Flow-through share premium liability	(c)	-	11,025	11,025
Minority interest in income		(294)	-	(294)
Net change in non-cash working capital related to operations		(4,221)	-	(4,221)
		(98,568)	11,025	(87,543)
Investments:				
Expenditures on exploration and evaluation assets		25,145	-	25,145
Financing:				
Capital stock issued for cash	(c)	201,400	(11,025)	190,375
Restricted cash		(36,400)	-	(36,400)
		165,000	(11,025)	153,975
Net change in cash and cash equivalents during the year		91,577	-	91,577
Cash and cash equivalents, beginning of year		1,016	-	1,016
Cash and cash equivalents, end of year		\$ 92,593	\$ -	\$ 92,593

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