RAZORE ROCK RESOURCES INC.

SUITE 3100, SCOTIA PLAZA
40 KING STREET WEST
TORONTO, ONTARIO
M5H 3Y2

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders of Razore Rock Resources Inc. (the "**Corporation**") will be held at **Suite 3100, Scotia Plaza, 40 King Street West, Toronto, Ontario, at the hour of 2:00 o'clock in the afternoon (Toronto time), on Tuesday, the 21st day of August, 2012,** for the following purposes:

1. election of the directors as nominated by Management;

2. appointment of Wasserman Ramsay, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration;

3. to re-price 550,000 existing stock options for directors to $0.10 from $0.15; and

4. to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

A copy of the Audited Financial Statements of the Corporation for the fiscal years ended April 30, 2012 and April 30, 2011, the Management Discussion and Analysis for the fiscal years ended April 30, 2012 and April 30, 2011, an Information Circular, a form of Proxy, a Voting Instruction Form, a Supplemental Mailing List Reply Form, and a return envelope accompany this Notice of Meeting.

Shareholders entitled to vote who do not expect to be present at the meeting are urged to date, sign and return the enclosed form of proxy. Refer to "Notes" on reverse.

DATED the 10th day of July, 2012.

BY ORDER OF THE
BOARD OF DIRECTORS

"*Michael Wilson*"

MICHAEL WILSON
President and Chief Executive Officer

NOTES:

1. As provided in the Business Corporations Act (Ontario) shareholders registered on the books of the Corporation at the close of business on July 10, 2012 are entitled to notice of the meeting.

2. Shareholders registered on the books of the Corporation at the close of business on July 10, 2012 are entitled to vote at the meeting.

3. The directors have fixed the hour of 4:00 p.m. in the afternoon on the second last business day preceding the day of the meeting or any adjournment thereof as the time before which the instrument of proxy to be used at the meeting must be deposited with the Capital Transfer Agency, Inc. 105 Adelaide Street West, Suite 1101, Toronto, Ontario, M5H 1P9, provided that a proxy may be delivered to the Chairman of the meeting on the day of the meeting or any adjournment thereof prior to the time for voting.

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INFORMATION CIRCULAR
MANAGEMENT SOLICITATION

SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by and on behalf of the management (the "Management") of Razore Rock Resources Inc. (the "Corporation") for use at the Annual General and Special Meeting of Shareholders (the "Meeting") of the Corporation to be held at the offices of Gardiner Roberts LLP at Suite 3100, 40 King Street West, Scotia Plaza, Toronto, Ontario, at the hour of 2:00 o'clock in the afternoon (Toronto time), on Tuesday, the 21st day of August, 2012, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (**"Common Shares"**) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Corporation (the "**Management Designees**"). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person's name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, **Capital Transfer Agency, Inc., 105 Adelaide Street West, Suite 1101, Toronto, Ontario M5H 1P9.** A proxy can be executed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Meeting Materials (as defined in the "Advice to Beneficial Shareholders" section below) from Broadridge Investor Communication Solutions, Canada ("**Broadridge**") must return the proxy forms, once voted, to Broadridge for the proxy to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED NOT LATER THAN 4:00 P.M. ON THE SECOND LAST BUSINESS DAY PRECEDING THE DAY OF THE MEETING, BEING AUGUST 17, 2012, OR ANY ADJOURNMENT THEREOF, WITH THE TRANSFER AGENT OF THE CORPORATION, CAPITAL TRANSFER AGENCY INC.,** provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting. A return envelope has been included with this material.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an "**Intermediary**") that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant (a "**non-registered holder**"). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

All references to shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy for use at the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED "FOR":**

(a) election of the directors as nominated by Management;

(b) appointment of Wasserman Ramsay, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration;

(c) to re-price 550,000 existing stock options for directors to $0.10 from $0.15; and

(d) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

EFFECTIVE DATE

The effective date of this Circular is July 10, 2012.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares, of which 9,708,768 Common Shares are issued and outstanding as fully paid and non-assessable as of the Record Date. The Common Shares of the Corporation are listed on the Canadian National Stock Exchange ("**CNSX**") under the symbol "RZR".

Each shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on July 10, 2012 (the "**Record Date**") will be entitled either to attend and vote at the Meeting in person shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them. However, if a holder of Common Shares of the Corporation has transferred any shares after the Record Date and the transferee of such shares establishes ownership thereof and makes a written demand, not later than ten (10) days before the Meeting, to be included in the list of shareholders entitle to vote at the Meeting, the transferee will be entitled to vote such shares.

To the knowledge of the directors and executive officers of the Corporation, other than those listed below, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of securities of the Corporation.

Name of Shareholder	Number of Common Shares	Percentage of Total
William R. Johnstone(1)	1,320,833	13.60%

Note:

(1) Held as to 170,000 common shares by Merlin Capital Corp., and as to 1,150,833 common shares by Poplar Properties Inc., in respect of which Mr. Johnstone is the President and a 50% shareholder.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year, no person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, in any transaction of the Corporation in the last three years before the date hereof.

REQUIRED ANNUAL DISCLOSURE CONCERNING THE CORPORATION

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers (the **"Form"**), as such term is defined in National Instrument 51-102.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation's executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers (**"Named Executive Officers"**) listed in the Summary Compensation Table that follows. During the fiscal years ended April 30, 2011 and April 30, 2012, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- Michael Wilson, President and Chief Executive Officer.
- William R. Johnstone, Corporate Secretary acted in the capacity of Chief Financial Officer.

The Corporation does not employ or retain any other individuals who would qualify as a "Named Executive Officer" because no executive officer or employee of the Corporation receives total compensation (including without limitation salary and bonus) in excess of $150,000.

The Corporation does not currently have a Compensation Committee. The entire Board of Directors is responsible for the compensation program for the Corporation's Named Executive Officers. No compensation has been paid to the Named Executives Officer for the years ended April 30, 2012 or April 30, 2011 in that capacity.

Compensation Objectives and Principles

The Corporation does not currently have an active business. The Corporation holds a group of five (5) unpatented mining claims in Manitoba. The Corporation has a working capital deficiency and the ability of the Corporation to realize on its assets and discharge its liabilities as they come due is dependent on the ability to generate cash flow from its investments or secure other forms of financing until it has successfully entered into an active business which generates a positive cash flow. As a result, the Board of Directors has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation to be awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Corporation. The Corporation will not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of our employees.

Compensation Processes and Goals

The deliberations of the Board of Directors are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's Named Executive Officers. At the request of the Board of Directors, the Named Executive Officers may, from time to time, provide advice to the Board of Directors with respect to the compensation program for the Corporation's Named Executive Officers.

The Corporation relies on its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation's directors, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

The Implementation of the Corporation's Compensation Policies

No compensation was paid to any Named Executive Officers in 2012 or 2011 in that capacity.

Set out below are some of the factors the Corporation takes into account when determining compensation for the Chief Executive Officer:

- the Chief Executive Officer's public company and regulatory experience gained through his involvement with other public companies; and

- the total number of years of the Chief Executive Officer's relevant experience.

Set out below are some of the factors the Corporation will take into account when determining compensation for the Chief Financial Officer:

- the Chief Financial Officer's public company and financial experience gained through his involvement with other public companies.

The Corporation does not currently have a Chief Financial Officer. Mr. Johnstone acts in the capacity of Acting Chief Financial Officer for purposes of certifying financial statements.

Stock Options

The policy the Corporation will apply in respect of granting of stock options is set out below.

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities. However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Board of Directors in developing its recommendations with respect to the granting of new options.

The granting of options to the non-management directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper independent oversight to the Corporation with a view to maximizing shareholder value. The number of options the Corporation grants to each of these directors reasonably reflects each director's contributions to the Corporation in his capacity as a director and as a member of one or more committees of the board (if applicable), including without limitation the Audit Committee. Previous grants of options awarded to the independent directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent directors. 300,000 options were granted to the Corporation's independent directors during the year ended April 30, 2012.

The Corporation currently does not pay director fees to its independent directors. Following the meeting, the Board of Directors will consider whether the payment of such fees is appropriate at the relevant time.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation's Chief Executive Officer, Michael Wilson and William R. Johnstone, the Corporate Secretary acted in the capacity of Chief Financial Officer, for the fiscal years ended April 30, 2012, April 30, 2011 and April 30, 2010. In accordance with the Form, the Corporation does not have any other "Named Executive Officers" given that no executive officer receives total salary and bonus in excess of $150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Michael Wilson, President and C.E.O.	2012	Nil	Nil	34,091[1]	Nil	Nil	Nil	Nil	34,091
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William R. Johnstone, Corporate Secretary	2012	Nil	Nil	Nil	Nil	Nil	Nil	5,300[2]	5,300
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) 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.

(2) The Board of Directors established an Opportunities Committee comprised of William R. Johnstone and Antonio Mel de Quadros to review various property acquisitions and opportunities presented to the Corporation. Each member of the Opportunities Committee is paid $100/ hour for the time spent reviewing potential transactions and reporting to the Board of Directors. The above-noted compensation represents 53 hours of time spent by Mr. Johnstone in fiscal 2012 reviewing transactions in his role on the Opportunities Committee.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of April 30, 2012

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of April 30, 2012.

	Option-Based Awards				Share-Based Awards	
Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options ($)[1]	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested ($)
Michael Wilson	250,000	0.15[2]	May 6, 2016	Nil	Nil	Nil
William R. Johnstone	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) Based on the closing price of the Common Shares on the CNSX on April 30, 2012 (being the last day of the fiscal year on which the shares were traded) of $0.050 per Common Share.

(2) Management is seeking shareholder approval at the Meeting to reduce the exercise price of these options to $0.10.

Value Vested or Earned by Named Executive Officers During the Year Ended April 30, 2012 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended April 30, 2012.

Name	Option-Based Awards-Value Vested During the Year ($)(1)	Shared-Based Awards-Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Michael Wilson	Nil	Nil	Nil
William R. Johnstone	Nil	Nil	Nil

Note:

(1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Employment Contracts

The Corporation has not entered into an employment agreement with its current President and Chief Executive Officer, Michael Wilson. Mr. Wilson does not currently receive any compensation from the Corporation. The Corporation has not entered into an employment agreement with its current Corporate Secretary acted in the capacity of Chief Financial Officer.

Termination and Change of Control Benefits

The Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change of control.

Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "Summary Compensation Table", for the fiscal year ended April 30, 2012.

Director Compensation Table

Name	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
				Annual Incentive Plans	Long-Term Incentive Plans			
Antonio Mel de Quadros	Nil	Nil	20,455	Nil	Nil	Nil	1,200(2)	21,655
Frank van de Water	Nil	Nil	20,455	Nil	Nil	Nil	Nil	20,455

Note:

(1) 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.

(2) The Board of Directors established an Opportunities Committee comprised of William R. Johnstone and Antonio Mel de Quadros to review various property acquisitions and opportunities presented to the Corporation. Each member of the Opportunities Committee is paid $100/ hour for the time spent reviewing potential transactions and reporting to the Board of Directors. The above-noted compensation represents 12 hours of time spent by Mr. de Quadros in fiscal 2012 reviewing transactions in his role on the Opportunities Committee.

The independent directors of the Corporation have not received directors fees in the fiscal years ended April 30, 2012 and April 30, 2011. Non-independent directors are not entitled to receive directors' fees from the Corporation. All directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending directors and shareholders meetings and meetings of Board committees. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties.

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of April 30, 2012

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of April 30, 2012 are detailed above) which are outstanding as of April 30, 2012.

	Option-Based Awards			Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options ($)[(1)]**	**Number of Shares or Units of Shares that have not Vested (#)**	**Market or Payout Value of Share-Based Awards that have not Vested ($)**
Antonio Mel de Quadros	150,000	0.15[(2)]	May 6, 2016	Nil	Nil	Nil
Frank van de Water	150,000	0.15[(2)]	May 6, 2016	Nil	Nil	Nil

Note:

(1) Based on the closing price of the Common Shares on the CNSX on April 30, 2012 (being the last day of the fiscal year on which the shares were traded) of $0.050 per Common Share.

(2) Management is seeking shareholder approval at the Meeting to reduce the exercise price of these options to $0.10.

Value Vested or Earned During the Year Ended April 30, 2012 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended April 30, 2012 by directors of the Corporation (other than directors who are Named Executive Officers whose value vested or earned during the year ended April 30, 2012 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	**Option-Based Awards-Value Vested During the Year ($)[(1)]**	**Shared-Based Awards-Value Vested During the Year ($)**	**Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)**
Antonio Mel de Quadros	Nil	Nil	Nil
Frank van de Water	Nil	Nil	Nil

Note:

(1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of April 30, 2012 with respect to the compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	550,000	Nil	420,876
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	550,000	Nil	420,876

STOCK OPTION PLAN

On April 28, 2008, the directors of the Corporation adopted a New Stock Option Plan (the "**Plan**"), which was approved by the disinterested shareholders of the Corporation on April 28, 2008, to encourage common share ownership in the Corporation by directors, executive officers, employees and consultants of the Corporation who are primarily responsible for the management and profitable growth of its business from time to time. The Plan provides that eligible persons hereunder include any director, employee (full-time or part-time), executive officer or consultant of the Corporation or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services. The Plan allows the Corporation to attract and retain valued directors, officers and employees by allowing it to offer stock options as incentives to join the Corporation.

The Plan is administered by the board of directors of the Corporation. The board of directors has the authority to determine, among other things, subject to the terms and conditions of the Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the Plan.

The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares from time to time. The total number of stock options granted to any one individual in any 12 month period may not exceed 5% of the issued and outstanding common shares of the Corporation and the total number of options granted to all Insiders (as defined by the TSX Venture Exchange) in any 12 month period may not exceed 10% of the issued and outstanding common shares of the Corporation. The total number of options granted to any one consultant in any 12 months period may not exceed 2% of the issued and outstanding shares of the Corporation. Investor Relations persons including employees may not be granted options exceeding 2% of outstanding capital and such options must vest over one (1) year with no more than 25% vesting in each quarter.

Pursuant to the Plan, the options are not be transferable other than by will or the laws of descent and distribution, the option price to be such price as is fixed by the Plan's administrator but shall be not less than the fair market value of the shares at the time the option is granted and payment thereof shall be made in full on the exercise of the options. The terms of the options may not exceed five (5) years and shall be subject to earlier redemption upon the termination of employment. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding three (3) months following the termination of the optionee's position with the Corporation by only up to and including the original option expiry date. If an optionee dies, the legal representative of the optionee may exercise the optionee's options for a period not exceeding one (1) year after the date of the optionee's death but only up to and including the original option expiry date. The Plan also contains anti-dilution provisions usual to plans of this type.

The Corporation will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the Plan. The Corporation has no other compensation plans or arrangements in place and none are currently contemplated.

As of the date of this Circular, there are 550,000 stock options outstanding under the Plan (no options have been exercised under the Plan) and 420,876 options available for grant.

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is indebted to the Corporation for any sum.

MANAGEMENT CONTRACTS

No management functions of the Corporation are preformed to any substantial degree by persons other than the directors or executive officers of the Corporation.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation's audit committee and its relationship with the Corporation's independent auditors.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of three (3) directors: Antonio Mel de Quadros, William R. Johnstone and Frank van de Water. As defined in NI 52-110, Mr. Antonio Mel de Quadros and Frank van de Water are independent. Also as defined in NI 52-110, all three (3) members of the Audit Committee are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's board of directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members of the Corporation's Audit Committee:

Antonio Mel de Quadros

Mr. de Quadros has been involved in the mining industry since 1964. He was worked as a consultant and geologist around the world including in Africa and South America. Mr. de Quadros has a Ph.D. in geology and is a professional engineer in the provinces of Ontario and British Columbia. Mr. de Quadros has taken courses in project management and finance as was required to qualify as a professional engineer. He has acted a director of several junior companies over the last several years and has learned to understand financial statements.

William R. Johnstone

Mr. Johnstone has been a securities lawyer acting for public companies for over twenty-five (25) years. Mr. Johnstone is, and has been, an officer and/or director of numerous public companies and sits, or has sat, on the Audit Committee of many of these companies. During this period of time, Mr. Johnstone has reviewed financial statements and management discussion and analysis of the financial statements and discussed financial issues with management, accountants and auditors. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Corporation.

Frank van de Water

Mr. van de Water is a chartered accountant and has over forty (40) years of experience acting for a variety of public companies, ranging from a company involved in multinational mining, metal processing and trading to technology, real estate development and mining companies. He has held the positions of Controller, Vice President Finance, Chief Financial Officer, President and Finance Director. Mr. van de Water currently acts as Chief Financial Officer for Red Tiger Mining Inc. (formerly Zaruma Resources Inc.).

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

External Auditors Service Fees (By Category)

The fees paid by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All Other Fees(3)
2012	$ 19,240	Nil	Nil	Nil
2011	$ 18,990	Nil	Nil	Nil

Note:

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101-*Disclosure of Corporate Governance Practices* ("**NI-58-101**") and National Policy 58-201 *Corporate Governance Guidelines* ("**NP-58-201**"). NP-58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Pursuant to NI-58-101, the Corporation is required to provide disclosure in this Circular of its corporate governance practices in accordance with Form 58-101F2 which follows:

1. **Board of Directors —** There are currently four (4) members of the Corporation's Board of Directors: Michael Wilson, Frank van de Water, William R. Johnstone and Antonio Mel de Quadros. Of the four directors only Frank van de Water and Antonio Mel de Quadros are considered independent. Michael Wilson is the President and Chief Executive Officer of the Corporation and William R. Johnstone is the Acting Chief Financial Officer, Corporate Secretary, Counsel and Treasurer to the Corporation.

2. **Directorships —** No director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction except for:

Director	Name of Reporting Issuer	Market	Position(s) with Issuer
Michael Wilson	Yorkton Ventures Inc.	TSX V	Director
	Wedona Capital Inc.	TSX V	Director
William R. Johnstone	Active Control Technology Inc.	TSX V	Director and Corporate Secretary
	Rockcliff Resources Inc.	TSX V	Director and Corporate Secretary
	Romios Gold Resources Inc.	TSX V	Director and Corporate Secretary
	Strait Gold Corporation	TSX V	Director and Corporate Secretary
	AurCrest Gold Inc.	TSX V	Director and Corporate Secretary
Antonio Mel de Quadros	Fancamp Resources Ltd.	TSX V	Director
	Romios Gold Resources Inc.	TSX V	Director
	Rokmaster Resources Ltd.	TSX V	Director
Frank van de Water	Romios Gold Resources Inc.	TSX V	Director
	Strait Gold Corporation	TSXV	Director
	AurCrest Gold Inc.	TSXV	Director

3. **Orientation and Continuing Education —** The Corporation has yet developed an official policy for orienting new directors. The board of directors will consider implementing such a procedure if it becomes necessary in the future. The board of directors has not currently established criteria for continuing education for directors. All of the directors have either expertise or substantial experience in the Corporation's area of business.

4. **Ethical Business Conduct —** The directors understand their fiduciary obligations as directors of a public company and are in the process of developing a code of business conduct and ethics.

5. **Nomination of Directors —** The board of directors will continue to be responsible for identifying new candidates for the board including members to fill any vacancies on the board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.

6. **Compensation —** The entire board of directors will continue to review the compensation of directors and officers including the granting of stock options. Compensation will be determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions.

7. **Other Board Committees —** There are no committees of the board of directors other than the Audit Committee.

8. **Assessments —** The board of directors is considering establishing procedures for satisfying itself that the board, its committee(s), and its individual directors are performing effectively.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Presentation of Financial Statements

The Audited Financial Statements for the fiscal years ended April 30, 2012 and April 30, 2011 and the reports of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting, of the auditors' reports and the Corporation's Financial Statements for its last two completed fiscal periods, will not constitute approval or disapproval of any matters referred to therein. The Audited Financial Statements and the Management's Discussion and Analysis for the years ended April 30, 2012 and April 30, 2011 have been mailed to shareholders of record and non-objecting beneficial shareholders. A copy of these financial statements can be obtained at www.sedar.com. In the alternative, upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the financial statements to you.

Election of the Board of Directors

The board of directors of the Corporation currently consists of four (4) directors. The persons named in the enclosed form of proxy intend to vote for the election as directors of each of the four (4) nominees of management whose names are set forth in the table below. Each Shareholder is entitled to cast their votes for, or withhold their votes from, the election of each director. If the number of shares "withheld" for any nominee exceeds the number of shares voted "for" the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he shall tender his written resignation to the Corporation. The Board will consider such offer of resignation and the director's suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders "withheld" votes for the director, the qualifications of the director and whether the director's resignation from the Board would be in the best interests of the Corporation.

These nominees have consented to being named in this Circular and to serve if elected. The Corporation's management does not contemplate that any of the nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments for the last five (5) years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of July 10, 2012. The information as to shares beneficially owned has been furnished to the board of directors by the respective nominees.

Name & Municipality of Residence	Position with Corporation	Principal Occupation or Employment for the Last Five Years	Director From	Number of Shares Beneficially Owned or Controlled
Michael Wilson Parksville, British Columbia	President, C.E.O. and Director	Business Consultant	September 12, 2005[2]	817,000
William R. Johnstone[1] Toronto, Ontario	Corporate Secretary and Director	Partner with Gardiner Roberts LLP since February 1, 2005.	May 23, 2001	1,320,833[3]
Antonio Mel de Quadros[1] Toronto, Ontario	Director	Consulting Geologist	April 28, 2008	242,857
Frank van de Water[1] Toronto, Ontario	Director	Chief Financial Officer, Red Tiger Mining Inc.	December 10, 2010	1,000

Note:

(1) Member of the Audit Committee.

(2) Mr. Wilson was also a director of the Corporation from September 1994 to May 2001.

(3) Held by Merlin Capital Corp., as to 170,000 common shares; and Poplar Properties Inc., as to 1,150,833 common shares, with respect to which Mr. Johnstone is the President and a 50% shareholder.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

None of the directors or officers of the Corporation is, or within the past ten (10) years prior to the date hereof has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

(1) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(2) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person,

except for Michael Wilson who is the President, Chief Executive Officer and a director of the Corporation, which was cease traded by the Ontario Securities Commission for failure to file financial statements until January 29, 2008, and Excelsior Mining Corp., which was suspended by the TSXV effective April 6, 2010 for failure to complete a qualifying transaction within the prescribed time; William R. Johnstone who was corporate secretary of PacRim Resources Inc., which was cease traded by the Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission for failure to file financial statements, and who is Corporate Secretary, Acting Chief Financial Officer and a director of the Corporation, which was cease traded by the Ontario Securities Commission for failure to file financial statements until January 29, 2008; and for Frank van de Water who was a director of Red Tiger Mining Inc. (formerly Zaruma Resources Inc.), which was cease traded for 90 days from May 13, 2010 to August 10, 2010 by the Ontario Securities Commission and British Columbia Securities Commission for failure to file financial statements.

Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision except for William R. Johnstone who was reprimanded by the TSXV for breaching three (3) requirements of an undertaking given to the TSXV in his capacity as an officer and director of Outlook Resources Inc. ("**Outlook**") in respect of the holding of an Annual Meeting for Outlook in compliance with TSXV policies. Mr. Johnstone was required to resign as an officer and director of Outlook; was restricted to his current involvement as an officer and/or director of six TSXV listed companies; and is required to obtain prior written approval from TSXV before having any involvement as an officer and/or director of another TSXV listed company. Subsequent to the reprimand, in 2011 TSXV consented to Mr. Johnstone becoming an officer of another TSXV listed company.

Individual Bankruptcies

None of the directors or officers of the Corporation has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual other than Michael Wilson who was discharged from bankruptcy in 2002. Mr. Wilson, a director of the Corporation filed for bankruptcy on November 1, 2001 under Section 173 of the *Bankruptcy and Insolvency Act*, and he was discharged of bankruptcy by the Supreme Court of British Columbia, court No. 11-220369 VA01 on November 12, 2002.

Conflict of Interest

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

Appointment of Auditor

The persons named in the enclosed form of proxy intend to vote for the appointment of Wasserman Ramsay, Chartered Accountants, of Markham, Ontario, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

The shareholders are urged by Management to appoint Wasserman Ramsay, Chartered Accountants, as the Corporation's auditors and to authorize the board of directors to fix their remuneration.

Re-pricing Stock Options

The Corporation is seeking shareholder approval to reduce the exercise price of 550,000 directors stock options (the "**Options**"), exercisable at $0.15 per share until May 6, 2016, to $0.10 per share. The options had originally been priced at $0.10 and granted on May 6, 2011. The Corporation issued a press release on May 6, 2011 with respect to the grant. However, as a result of an anomalous trade on CNSX at $0.15 immediately preceding the grant of stock options, the exercise price of options was increased to $0.15 and a further press release was issued on May 19, 2011 advising that the options had been re-priced to $0.15. There was a further anomalous trade at $0.19 on May 12, 2011. Thereafter, the stock has never traded above $0.10. The following is the trading history for the stock from its listing on CNSX until July 10, 2012:

Date	Closing Price	Volume
February 22, 2011	$0.060	10,000
February 23, 2011	$0.060	30,000
March 2, 2011	$0.060	2,000
April 4, 2011	$0.070	20,000
April 18, 2011	$0.060	16,833
April 25, 2011	$0.070	10,000
May 5, 2011	$0.150	4,000
May 12, 2011	$0.190	5,000
June 1, 2011	$0.060	33,000
June 7, 2011	$0.065	35,000
July 19, 2011	$0.050	100,000
August 29, 2011	$0.050	80,000
September 16, 2011	$0.050	10,000
April 4, 2012	$0.010	10,000
April 30, 2012	$0.050	10,000
May 14, 2012	$0.100	5,000
June 12, 2012	$0.100	4,000
June 14, 2012	$0.100	6,000
June 29, 2012	$0.050	2,000

The resolution to approve the reduction in the exercise price of the Options from $0.15 to $0.10 (the "**Re-Pricing Resolution**") must be approved by a majority of the disinterested shareholders voting at the Meeting. The only parties that have an interest in the Re-Pricing Resolution are Michael Wilson (as to 250,000 stock options), Antonio Mel de Quadros (as to 150,000 stock options) and Frank van de Water (as to 150,000 stock options), who collectively hold 1,060,857 common shares. These shares will be excluded from voting on the Re-Pricing Resolution.

It is proposed that the shareholders approve the following Re-Pricing Resolution:

"**BE IT RESOLVED THAT**:

1) 550,000 directors stock options granted on May 6, 2011 originally exercisable at $0.10 per share and re-priced to $0.15 be and they are hereby re-priced to $0.10 per share.; and

2) any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

Management urges shareholders to approve the Re-Pricing Resolution.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be obtained from www.sedar.com.

APPROVAL OF DIRECTORS

The Circular and the mailing of same to shareholders have been approved by the board of directors of the Corporation.

DATED the 10th day of July, 2012.

BY ORDER OF THE
BOARD OF DIRECTORS

"Michael Wilson"

MICHAEL WILSON
President and Chief Executive Officer

RAZORE ROCK RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

Wasserman Ramsay

Chartered Accountants

3601 Hwy 7 East, Suite 1008, Markham, Ontario L3R 0M3
Tel. 905-948-8637 Fax 905.948.8638
email: wram@wassermanramsay.ca

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.

Wasserman Ramsay

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 2012	April 30 2011 (Note 13)	May 1, 2010 (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	-	50,800	9,600
	99,613	197,944	19,495
Exploration and evaluation assets *(Note 3)*	106,998	40,448	65,593
Investments *(Note 5)*	1,441	4,321	8,100
	$ 208,052	$ 242,713	$ 93,188
LIABILITIES			
Current:			
Accounts payable and accrued liabilities *(Note 7)*	$ 78,529	$ 53,180	$ 35,429
Non-current:			
Flow-through share premium liability	-	11,025	-
Minority interest	59,739	58,930	59,224
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)*	(1,125,175)	(1,003,261)	(909,208)
	69,784	119,578	(1,465)
	$ 208,052	$ 242,713	$ 93,188

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

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

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			Total
				Contributed	Accumulated		Shareholders
	# Shares	$ Amount	Warrants	Surplus	Comp. loss	Deficit	Equity
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

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

RAZORE ROCK RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	2012	2011
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 *(Note 8)*	79,255	(4,221)
	17,015	(87,543)
Investments:		
Proceeds from sale of marketable securities *(Note 5)*	5,110	-
Expenditures on Exploration and evaluation assets	(66,550)	25,145
	(61,440)	25,145
Financing:		
Capital stock issued for cash	-	190,375
Restricted cash	36,400	(36,400)
	36,400	153,975
Net change in cash and cash equivalents during the year	(8,025)	91,577
Cash and cash equivalents, beginning of year	92,593	1,016
Cash and cash equivalents, end of year	$ 84,568	$ 92,593

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

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 and 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 ("$").

(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 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.

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.

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 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.

(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-though 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.

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 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.

	2012	2011
90,000 (2011 - 90,000) shares of AurCrest Gold Inc.	$ 4,321	$ 4,321

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:

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

Issued common shares:

	# shares	$ value
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		(9,100)
Balance April 30, 2012 and 2011	9,708,768	$ 1,126,194

Issued warrants:

	# warrants	$ value
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	(200,000)	(1,250)
Balance April 30, 2012 and 2011	3,776,999	$ 7,500

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 ened 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:

	Number of options	**Wtd Avge exc. price**
At April 30, 2011	-	$ -
Issued	550,000	$ 0.15
At April 30, 2012	550,000	$ 0.15

The fair value of the stock options issued in the current yearr 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 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	(200,000)	0.10
Outstanding April 30, 2012 and 2011	3,776,999	$ 0.10

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	3,709,999	1.24
	3,776,999	1.20

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

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:

	2012	2011
G.S.T receivable	$ 3,106	$ (9,272)
Accounts payable and accrued liabilities	25,349	46,251
Prepaids	50,800	(41,200)
	$ 79,255	$ (4,221)

Non-cash investing and financing activities:

Flow through share premium	$ -	$ 9,100

9. Contributed Surplus:

Balance, May 1, 2009	$ -
Transferred on expiration of warrants	12,500
Balance, April 30, 2010	12,500
Transferred on expiration of warrants	1,250
Balance, April 30, 2012 adn 2011	$ 13,750

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	52,424
	$ 381,106

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

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

The Company has the following Deferred income tax assets:

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

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.

	Level	April 30, 2012	April 30, 2011	May 1, 2012
Fair value through profit and loss				
Cash and cash equialents	Level 1	84,568	92,593	1,016
Cash and cash equialents - resticted	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-though 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 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.

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-though 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 deferrred 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	$ -

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 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 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 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

RAZORE ROCK RESOURCES INC.
Annual Management Discussion and Analysis
For the years ending April 30, 2012 and 2011

This Management Discussion and Analysis ("**MD&A**") of Razore Rock Resources Inc. (the "**Company**") dated as of July 12, 2012, provides analysis of the Company's financial results for the years ending April 30, 2012 and 2011. The following information should be read in conjunction with the audited consolidated financial statements and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These documents along with others published by the Company are available on SEDAR at www.sedar.com.

Overall Performance

The Company is a mineral exploration company focused on the acquisition, exploration and development of mineral resources, primarily gold, in Canada. The Company's common shares trade on the Canadian National Stock Exchange ("**CNSX**") under the symbol "**RZR**". Management has been actively seeking other properties for acquisition or other opportunities for the Company but has not yet identified a suitable property or transaction for the Company. The Company spent a total of $66,550 in exploration expenditures during the year and therefore has met its obligation to spend $36,400 in flow-through funds by December 31, 2011. The Company received a refund of $50,800 in the current year from its $57,200 in funds paid in lieu of expenditures on the Duff Claims with the balance of $6,400 written off as an expense. The $50,000 was refunded to the Company because an equivalent amount of acceptable work was completed and filed in December, 2011. Management will continue to actively pursue the acquisition of further resource properties and financing as necessary for the Company.

As at April 30, 2012 the Company had working capital of $21,084 (2011 - $144,764). The decrease in working capital during the year was as a result of the funds spent on its exploration and evaluation assets as well as funding the current year's losses. The Company is considered to be in the exploration stage, is in the process of exploring mineral properties in Canada and has not yet determined whether these properties contain economic reserves. While the 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 the financial statements, then adjustments might be necessary to the carrying values of assets and liabilities, the reported loss and the balance sheet classifications used.

Selected Annual Information:
(Canadian $)

	Year ended April 30, 2012	Year ended April 30, 2011	Year ended April 30, 2010 (Note 1)
Revenue	**$ 5,110**	$ -	**$ -**
Net loss	**121,914**	**84,953**	**34,325**
Net loss per share			
- basic and diluted	**0.01**	**0.01**	**0.01**
Total assets	**208,052**	**242,713**	**93,188**

Note 1: The year ended April 30, 2010 is reported under CGAAP

Results of Operations - year ended April 30, 2012 compared to the year ended April 30, 2011.

The Company had a gain on disposition of its marketable securities in the amount of $5,110 (2011- $Nil).

As at April 30, 2012, the Company had cash and cash equivalent assets in the amount of $84,568 compared to $92,593 at the end of 2011. The decrease was due to funds spent exploring the Company's exploration and evaluation assets and funding the current year's loss offset by a recovery of money paid in lieu of work on the Company's exploration and evaluation assets. In addition to the above noted cash, the Company also had, at the end of the prior year, $36,400 in cash restricted to be spent on Canadian Exploration Expenses as a result of the flow-through share financing that took place in 2011. These funds were spent on Canadian Exploration Expenses during the current year.

The investment in mining claims at the end of 2012 was $106,998 compared to $40,448 at the end of 2011. The increase reflects the funds the Company spent on a total field magnetic survey which was completed across the entire claim block of the Company's Duff Claims property.

At the end of 2012 the Company had accounts payable and accrued liabilities in the amount of $73,529 compared to $53,180 at the end of 2011.

Liquidity and capital resources

At April 30, 2012, the Company had shareholders equity in the amount of $69,784 compared to $119,578 at the end of 2011.

At April 30, 2012, the Company had an accumulated deficit in the amount of $1,125,175 compared to $1,003,261 at the end of 2011. The increase in the deficit reflects the loss the Company incurred in the current year.

For 2012 and 2011 cash was provided by (used in) operations as follows: $17,015 in 2012 and ($87,543) in 2011. The Company received proceeds of $5,110 on sale of its marketable securities in 2012 compared to $Nil in 2011. In 2012, the Company did not complete any financings compared to net proceeds of $190,375 on financings that took place in fiscal 2011.

In 2012 and 2011 the Company had an investment in AurCrest Gold Inc. ("**AurCrest**"). The Company owned 18,000 shares of AurCrest which had a cost of $27,000.

The investment in AurCrest is a Financial Instrument and has been classified as available for sale ("**AFS**") and carried at market value with changes in value reflected in comprehensive income. During the year ended April 30, 2012, the Company recognized a loss on the adjustment of AFS financial instruments to market in the amount of $2,880 (2011 - $3,779) related to the unrealized loss on these available for sale financial instruments.

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 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.

Mining Properties:

The Company holds a 100% interest in five (5) mining claim blocks in Sourdough Bay and Mikanagan Faults Area, Flin Flon District, Manitoba, four (4) of which are subject to a 3% Net Smelter Returns Royalty and one (1) of which is subject to a 2% Net Smelter Returns Royalty.

As indicated in the Company's National Instrument 43-101 ("**NI 43-101**") Technical Report dated November 30, 2010 titled "Geology and Mineralization on the Duff Claims, Flin Flon Area (NTS 63K14/NW), Manitoba" prepared by Mark Fedikow, Ph.D., P.Eng., P.Geo. C.P.G. of Mount Morgan Resources Ltd., the Company has a recommended exploration program on the Duff Claims totaling $546,105 in two phases: Phase One comprising line/grid cutting, Induced Polarization (I.P.) and magnetometer surveys and soil geochemistry sampling to define drill targets; followed by Phase Two comprising 2,000m of diamond drilling. The report can be reviewed at www.sedar.com.

In late November, 2011, the Company completed a total field magnetic survey which was completed across the entire claim block of the Duff Claims property using a compass paced, flagged and GPS-controlled grid. A total of 122 kilometres was surveyed by EXSICS Exploration Limited of Timmins (Ontario). A report was prepared and filed in December resulting in a refund to the Company of $50,800 from previous payments made in lieu of expenditures on the Duff Claims.

The Duff Claims property is located 33 km east-northeast from the mining community of Flin Flon, Manitoba, near the central portion of the Flin Flon – Snow Lake volcanic belt. The belt stretches from Amisk Lake (Saskatchewan) to Wekusko Lake, east of Snow Lake, Manitoba and is renowned for base metal massive sulphide-type mineralization accompanied by significant precious metal credits.

Magnetic Survey Results

The most predominant magnetic feature outlined on the grid is a large area consisting of both magnetic highs and lows. This magnetic feature is likely an iron-rich rock thought to be part of the northwest segment of a large fold structure centered in Naosap Lake and extending into the southwest corner of the claim group. The area of the magnetic high is part of a large U-shaped, south verging magnetic anomaly which may represent a gabbro intrusion. Magnetic gabbroic units are present in the area to the northwest of the property. The second most predominant feature is a magnetic low interpreted to be the geophysical signature of the Sourdough Fault structure. These two features are considered to be high priority target areas for further exploration.

The Company is planning detailed geological mapping and prospecting, Mobile Metal Ions soil geochemistry and Induced Polarization surveys once funding is obtained for this further program. The integrated results of these surveys will focus diamond drilling.

Historic Exploration

The results of historic exploration, including diamond drilling, in areas immediately adjacent to the Duff Claims have documented the presence of gold mineralization in association with sulphide minerals and related alteration. Esso Minerals drilling in the 1980s intersected visible gold in the area of the Duff Claims in association with up to 5% pyrite, minor pyrrhotite, galena, chalcopyrite and trace arsenopyrite. This mineralization occurred within a multi-deformational, multi-episodic quartz injected, brittle-ductile deformation zone. Alteration associated with the high-grade gold consisted of silicification, biotitization, and quartz veins, but lacked significant carbonatization. This alteration is similar to that associated with elevated gold values intersected by Esso's 1988 drilling along the Sourdough Bay Fault. Grab and chip samples along this Fault assayed up to 3.48 oz/ton Au and points to the potential for high-grade gold mineralization in the Duff Claims environment.

New accounting policies issued but not yet adopted:

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.

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.

Further information with regards to the conversion to IFRS is included in the Company's Consolidated Financial Statements as at April 30, 2012 and 2011 and for the years then ended and the notes thereto. We draw your attention in particular to Note 13 which discusses the impact that the conversion from CGAAP to IFRS has had on the Company's financial information and includes the required reconciliations for first time adopters.

A reconciliation of the conversion of the CGAAP financials statements to IFRS is disclosed below:

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

	CGAAP $	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:			
Mining claims	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
Minority 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 CGAAP statement of financial position as at April 30, 2011 has been reconciled to IFRS as follows:

	CGAAP $	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:			
Mining claims	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
Minority interest	58,930	-	58,930
SHAREHOLDERS' EQUITY			
Common shares	1,126,194	(1,925)	1,124,269
Warrants	7,500	-	7,500
Contributed Surplus	13,750	-	13,750
Deficit	(994,161)	(9,100)	(1,003,261)
Accumulated other comprehensive income	(22,680)	-	(22,680)
	130,603	(11,025)	119,578
	$ 242,713	$ -	$ 242,713

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

	CGAAP $	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
Minority interest in loss	(294)	-	(294)
Net loss for the year before income tax	94,053	-	94,053
Future income tax	9,100	(9,100)	-
Net loss for the period	$ 84,953	$ (9,100)	$ 94,053

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

	CGAAP $	Effect of transition to IFRS $	IFRS $
Cash was provided by (used in) the following activities:			
Operations:			
Net loss for the year	$(84,953)	-	$(84,953)
Items not requiring an outlay of cash:			
Deferred income tax	(9,100)	-	(9,100)
Flow-through share premium liability		11,025	11,025
Minority income in income	(294)	-	(294)
Net change in working capital items 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	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

Transactions with related parties:

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

		For the year ended April 30	
Related Party	**Item**	**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	$ -

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.

Share Capital

Authorized

Unlimited common shares

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 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 fiscal 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 October 25, 2012 and the Trigger Date. The warrants issued have been valued 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 noted below:

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

The fair value of the stock options issued in the current quarter 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 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

Summary of Quarterly Results

	Apr 30 2012	Jan 31 2012	Oct 31, 2011	Jul 31 2011	Apr30 2011	Jan 31 2010	Oct 31 2010	Jul31 2010
Revenue	$-	$ -	$ -	$5,110	$ -	$ -	$ -	$ 1,910
Net income (loss)	(30,980)	4,875	(15,111)	(80,698)	(19,631)	(39,440)	(12,330)	(13,552)
Net income (loss) per share -basic and diluted	-	-	-	(0.01)	(0.01)	-	-	-
Total assets	208,052	223,158	225,276	243,940	242,713	263,839	97,093	94,172

Outstanding Share Data

Common shares and convertible securities outstanding at July 12, 2012 were:

Security	Expiry Date	Exercise Price	Securities Outstanding	Common Shares on Exercise
Common shares	n/a	n/a	9,708,768	N/A
Warrants	Various	$0.10	3,776,999	3,776,999
Options	May 6, 2016	$0.15	550,000	550,000

Risk Factors

The Company is exposed to credit risk and liquidity risk. The Company's primary risk management objective is to protect assets, earnings and cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure that the Company's risks and the related exposure are consistent with its business objectives and risk tolerance. There have been no changes to the risks to which the Company is exposed or to the corresponding risk management strategies during the current period.

Credit risk
The Company's accounts receivable include amounts that are recoverable on account of harmonized sales tax. These amounts are subject to verification through audits that may be conducted by Canada Revenue Agency. The accounts receivable do not contain any past due amounts and the Company has no history of bad debts.

Liquidity risk
The Company currently has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it to enable it to meet its obligations as they become due. Although the Company has been successful in the past in financing its activities, there can be no assurance that it will be able to do so in the future.

In addition to the financial risks noted above, given the Company's current status as an exploration stage company, there are numerous additional risk factors that could affect the Company's business prospects and future performance, including the following. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

Additional capital
The exploration and development of the Company's mineral property interests will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on the Company's mineral property interests. The Company will also require additional funding to acquire further property interests. The ability of the Company to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury of the Company, control of the Company may change and security holders may suffer additional dilution.

Operating history
The Company has a very limited history of operations and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and an absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholder investment and the likelihood of success must be considered in light of its early stage of operations.

Highly speculative business
The nature of the Company's business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the deposit (principally size and grade), the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production.

Commodity price and exchange rate fluctuations

The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Key officers, consultants and employees

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any key-man insurance with respect to any of its directors, officers or consultants and has no current plans to do so.

Title

The mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and as a result, are subject to annual compliance with assessment work requirements. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims and title may be affected by undetected defects. There is no guarantee that title to the Company's properties or its rights to earn an interest in its properties will not be challenged or impugned. Also, in many countries including Canada and the USA, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries in respect of resource properties.

Maintaining interests in mineral properties

The Company's continuing right to maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licenses to carry on its operations. Additional expenditures will be required by the Company to maintain its interests in its properties. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

External market factors

The marketability and price of minerals which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The Company will be affected by changing production costs, the supply or/and demand for minerals, the rate of inflation, the inventory levels of minerals held by competing companies, the political environment and changes in international investment patterns.

Governmental and regulatory requirements

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may include requirements for the Company to take corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of properties.

Environmental regulations
All phases of the Company's operations are subject to environmental regulation. Environmental legislation is becoming more strict, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that environmental regulation will not adversely affect the Company's operations. Environmental hazards may exist on a property in which the Company holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, and enforcement, fines and penalties for non-compliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the countries in which it is active.

Conflicts of interest
Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (Ontario), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Uninsured risks
The Company currently does not have liability insurance.

Competition in acquiring additional properties
Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Dividend policy
No dividends on the common shares of the Company have been paid by the Company to date. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

Outlook

The Company completed a total field magnetic survey on its Duff Claims during the third quarter of fiscal 2012 (see heading "Mining Properties" above). Further work is required to clearly define drill targets. The Company has been seeking further financing and is currently seeking additional property interests in Manitoba and Ontario to both add shareholder value and help facilitate further financing of the Company. In spite of the continuing turmoil in the markets, the resource sector remains somewhat optimistic and the Management of the Company is hopeful that it will be able to build the Company with property acquisitions and financings now that the Company has more liquidity through its listing on CNSX.

Forward Looking Information

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements reflect the current expectations of the Management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward-looking statements, such as reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors and including the risk factors summarized above under the heading "Risk Factors". New risk factors may arise from time to time and it is not possible for Management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what Management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information:

(1) Additional information about the Company may be found on SEDAR at www.sedar.com.

(2) Additional information is provided in the Company's financial statements for the most recently completed financial reporting period (year-end April 30, 2012) which were prepared under IFRS.

(3) Mark Fedikow, P.Eng. P.Geo. C.P.G., a Qualified Person in accordance with the Canadian regulatory requirements as set out in NI 43-101, a consulting geologist for the Company, has reviewed and approved the technical information in this MD&A.

RAZORE ROCK RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

Wasserman Ramsay

Chartered Accountants

3601 Hwy 7 East, Suite 1008, Markham, Ontario L3R 0M3
Tel. 905-948-8637 Fax 905.948.8638
email: wram@wassermanramsay.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Razore Rock Resources Inc.:

We have audited the accompanying financial statements of Razore Rock Resources Inc., which comprises of the balance sheets as at April 30, 2011 and 2010 and the statements of loss and comprehensive loss, and cash flows for the years then ended, 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 financial statements in accordance with Canadian generally accepted accounting principles, 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 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 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 financial statements present fairly, in all material respects, the financial position of Razore Rock Resources Inc. as at April 30, 2011 and 2010 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Wasserman Ramsay

Markham, Ontario
August 26, 2011

Chartered Accountants
Licensed Public Accountants

RAZORE ROCK RESOURCES INC.

(Incorporated under the Laws of the Province of Ontario)

CONSOLIDATED BALANCE SHEETS - APRIL 30, 2011 AND 2010

	2011	2010
ASSETS		
Current:		
Cash and cash equivalents	$ 92,593	$ 1,016
Cash and cash equivalents - restricted *(Note 10)*	36,400	-
G.S.T. receivable	18,151	8,879
Prepaid expenses	50,800	9,600
	197,944	19,495
Mining Claims *(Note 3)*	40,448	65,593
Investments *(Note 5)*	4,321	8,100
	$ 242,713	$ 93,188
LIABILITIES		
Current:		
Accounts payable and accrued liabilities *(Note 7)*	$ 53,180	$ 35,429
Minority interest	58,930	59,224
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock *(Note 6)*	1,133,694	914,144
Contributed surplus *(Note 9)*	13,750	12,500
Accumulated other comprehensive income	(22,680)	(18,901)
Deficit *(Page 4)*	(994,161)	(909,208)
	130,603	(1,465)
	$ 242,713	$ 93,188

Nature of Operation and Going Concern - Note 1

Approved on behalf of the board:

"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, 2011 AND 2010

	2011	2010
Expenses:		
General administration	$ 20,990	$ 3,773
Professional fees *(Note 7)*	73,357	32,462
Net loss before undernoted items	(94,347)	(36,235)
Gain on sale of marketable securities	-	1,910
Minority interest in (income) loss	294	-
Net loss for the year before income tax	(94,053)	(34,325)
Future income tax	(9,100)	-
Net loss for the year	$ (84,953)	$ (34,325)
Net loss per share basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of shares basic and diluted	6,635,060	5,325,073

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

	2011	2010
Net loss for the period	$ (84,953)	$ (34,325)
Other comprehensive income, net of tax:		
Change in unrealized gains and losses on available-for-sale financial assets	(3,779)	2,325
Comprehensive loss	$ (88,732)	$ (32,000)

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

RAZORE ROCK RESOURCES INC.

CONSOLIDATED STATEMENTS OF DEFICIT

FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

	2011	2010
Deficit, beginning of year	$ (909,208)	$ (874,883)
Net loss for the year	(84,953)	(34,325)
Deficit, end of year	$ (994,161)	$ (909,208)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

	2011	2010
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the year	$ (94,053)	$ (34,325)
Items not requiring an outlay of cash:		
Gain on sale of investments	-	(1,910)
Minority interest in income	(294)	-
Net change in non-cash working capital balances related to operations *(Note 8)*	(4,221)	18,031
	(98,568)	(18,204)
Investments:		
Proceeds from sale of marketable securities *(Note 5)*	-	2,364
Expenditures on mining claims	25,145	(9,599)
	25,145	(7,235)
Financing:		
Capital stock issued for cash	201,400	3,350
Restricted cash	(36,400)	-
	165,000	3,350
Net change in cash and cash equivalents during the year	91,577	(22,089)
Cash and cash equivalents, beginning of year	1,016	23,105
Cash and cash equivalents, end of year	$ 92,593	$ 1,016

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, 2011 AND 2010

1. Nature of Operations and Going Concern:

The Company is a public company which is currently listed on CNSX. At April 30, 2011 the Company has working capital in the amount of $144,764 (2010 - working capital deficiency of $25,534). The Company presently has no active business. The ability of the Company to realize on its assets and discharge its liabilities as they come due is dependent on the ability to generate cash flow from its investments or secure other forms of financing until it has successfully entered into an active business which generates a positive cash flow.

2. Summary of significant accounting policies:

The financial statements of Razore Rock Resources Inc. [the "Company"] have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Basis of presentation:

These consolidated financial statements, for the years ended April 30, 2011 and 2010, include the accounts of the Company's 84% owned subsidiary, Arctic Gold and Platinum Inc and the Company's 67% owned subsidiary Arctic Gold Corporation. All intercompany transactions and balances have been eliminated on consolidation.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash and short-term investments which are highly liquid and have an initial term of less then 90 days.

(c) Mining Claims:

The acquisition costs of mining properties together with direct exploration, development and administration expenditures thereon, are deferred in the accounts with the intention that the deferred expenditures and the cost of the claims and properties be amortized by charges against income from any future mining operations. If the claims are allowed to lapse or the properties are abandoned, the cost of the mining claims and all associated exploration and development expenditures are written off.
Upon reaching commercial production, these costs are to be amortized over the productive life of the mine based on the estimates of available reserves.

(d) Stock-based compensation plan:

The CICA Handbook, Section 3870, establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments for goods and or services. The Section requires that awards of stock be measured at fair value. The Company presently has no stock options outstanding.

(e) Earnings per share:

The Company has adopted the recommendations of the CICA Handbook section 3500, Earnings per Share ("EPS"). The section requires the presentation of both basic and diluted EPS on the face of the income statement regardless of the materiality of the difference between them. The new recommendations require the use of the treasury stock method to compute the dilutive effects of options, warrants and similar instruments as opposed to the previous method used which was the imputed earnings approach. The section also requires the disclosure of a reconciliation of the calculation of basic and diluted EPS.

(f) Long-lived assets:

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset.

2. Summary of significant accounting policies (continued):

(g) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions 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 period. Actual results may differ from those estimates.

(h) Financial Instruments – Recognition and Measurement

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. All derivatives are recorded on the balance sheet at fair value. Mark-to-market adjustments on these instruments are included in net income, unless the instruments are designated as part of a cash flow hedge relationship.

All other financial instruments will be recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance. Regular-way purchases and sales of financial assets are accounted for on the trade date.

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

(i) Comprehensive Income

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available-for-sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until the period that the related asset or liability affects income.

(j) Hedges

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13 "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company currently does not have any instruments that are covered in this standard.

(k) Accounting Changes

The Company has adopted revised CICA Section 1506 “Accounting Changes”, which requires that: a) a voluntary change in accounting policies can be made if, and only if, the changes result in more reliable and relevant information; b) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change; and c) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting policies since the adoption of this revised standard.

(l) Capital Disclosures

Handbook Section 1535 specifies the disclosures of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

New accounting pronouncements not yet adopted:

(i) International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian Generally Accepted Accounting Principles ("GAAP") will be required for publicly accountable enterprises' interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. The AcSB issued the "omnibus" exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

(ii) Business combinations.

In January 2009, the CICA issued Handbook Section 1582, "Business combinations," which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

(iii) Non-controlling interests

In January 2009, the CICA issued Handbook Section 1602, "Non-controlling interests," which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

(iv) Consolidated financial statements

In January 2009, the CICA issued Handbook Section 1601, "Consolidated financial statements," which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

3. Mining claims:

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 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 Corp. (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.

	2011	2010
90,000 (2010 - 90,000) shares of Aurcrest Gold Corp.	$ 4,321	$ 8,100

The fair market value of its investment at year end is approximately $4,321 (2010 - $8,100). Under the provisions of the CICA Handbook section on Financial Instruments the above noted investments have been adjusted to fair market value resulting in an comprehensive loss in the amount of $3,779 (2010 - $2,325 in comprehensive income) which has been reflected in other comprehensive income.

6. Capital stock:

Authorized:

Unlimited common shares

Capital stock:

	2011	2010
Common shares (see below)	$ 1,126,194	$ 912,894
Warrants	7,500	1,250
Balance April 30	$ 1,133,694	$ 914,144

Issued common shares:

	# shares	$ value
Balance May 1, 2009	5,321,769	$ 909,544
Issued private placement	67,000	3,350
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		(9,100)
Balance April 30, 2011	9,708,768	$ 1,126,194

Issued warrants:

	# warrants	$ value
Balance May 1, 2009	2,200,000	$ 13,750
Expired unexercised	(2,000,000)	(12,500)
Issued private placement	67,000	-
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	(200,000)	(1,250)
Balance April 30, 2011	3,776,999	$ 7,500

In the current 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 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 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.

6. Capital stock (continued):

During the prior year the Company had a private placement for 67,000 units at $0.05 per unit for gross proceeds of $3,350. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into a further common share for $0.10 per share until expiry on April 12, 2012. The value of the warrants was calculated as $330, which management considered to be an immaterial amount. The value of the warrants was determined using a Black-Scholes option pricing model with the following weighted average assumptions; dividend yield of 0%, expected volatility of 55%, risk-free rate of interest of 2.25% and expected life of 24 months.

Options:

The Company has no outstanding options at April 30, 2011 and 2010.

Warrants:

The following table summarizes information about common share purchase warrants outstanding at April 30, 2011 and 2010:

	Warrants outstanding and exercisable	Weighted average exercise price
Outstanding May 1, 2009	2,267,000	$ 0.10
Expired	(2,000,000)	0.10
Outstanding April 30,, 2010	267,000	0.10
Issued - private placements	3,559,999	0.10
Issued - debt settlement	150,000	0.10
Expired	(200,000)	0.10
Outstanding April 30, 2011	3,776,999	$ 0.10

The following table summarizes information about the warrants outstanding at April 30, 2011

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

The following table summarizes information about the warrants outstanding at April 30, 2010

Weighted. avge. Exercise Price	Warrants outstanding and exercisable	Whtd. avge. remaining contractual life in years
$ 0.10	200,000	-
$ 0.10	67,000	1.95
	267,000	1.95

7. Related party transactions and balances:

Legal fees in the amount of $62,382 (2010- $22,462) were charged by a legal firm in which one of the Company's directors is a partner. Included in accounts payable at year end is $42,669 (2010 - $14,227) outstanding to this firm.

All of the Company's interests in mining claims as disclosed in Note 3 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 Company issued 350,000 common shares to settle debt of $21, 000 with a party related to a director.

Related party transactions are recorded at exchange amounts which approximates fair value.

RAZORE ROCK RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2011 AND 2010

8. Supplemental cash flow information:

Net change in non-cash working capital:

	2011	2010
G.S.T receivable	$ (9,272)	$ (1,107)
Accounts payable and accrued liabilities	46,251	19,138
Prepaids	(41,200)	-
	$ (4,221)	$ 18,031

Non-cash investing and financing activities:

Future income tax liability recognized as a result of renunciation of CEE	$ 9,100	$ -

9. Contributed Surplus:

Balance, May 1, 2009	$ -
Transferred on expiration of warrants	12,500
Balance, April 30, 2010	12,500
Transferred on expiration of warrants	1,250
Balance, April 30, 2011	$ 13,750

10. Restricted cash - Flow-Through funds

During the current 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.

The Company is obligated to spend $36,400 on Canadian Exploration Expenditures ("CEE") by no later than December 31, 2011.

11. Income tax:

The Company has available approximately $328,682 (2010 - $234,675) 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
	$ 328,682

In addition to the above noted-loss carryforwards, the Company has available approximately $413,000 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.

11. Income tax (continued):

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

	2011	2010
Statutory tax rate	31.00 %	32.50 %
Valuation allowance	(21.30)	(32.50)
Effective corporate tax rate	9.70 %	- %

The Company has the following future income tax assets:

	2011	2010
Non capital losses	$ 82,150	$ 68,050
Investments and Canadian exploration and development expenditures	98,860	107,900
Valuation allowance	(181,010)	(175,950)
Benefit recognized in the financial statements	$ -	$ -

During the current year, as a result of the renunciation by the Company of $36,400 in CEE the company recognized a future tax liability in the amount of $9,100 which was charged to share issue costs as required under Canadian GAAP. The Company offset this liability by recognizing loss carryforwards.

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, 2011. The Company's investment in marketable securities have been marked to market in accordance with the Company's accounting policies.

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.

12. Financial Risk Management (continued):

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. Subsequent events:

Subsequent to year end the Company issued 550,000 stock options to directors, exercisable into common shares $0.15 per share for a period of 5 years expiring on May 6, 2016.

RAZORE ROCK RESOURCES INC.
Annual Management Discussion and Analysis
For the years ending April 30, 2011 and 2010

This Management Discussion and Analysis ("**MD&A**") of Razore Rock Resources Inc. (the "**Company**") dated as of August 26, 2011, provides analysis of the Company's financial results for the years ending April 30, 2011 and 2010. The following information should be read in conjunction with the audited consolidated financial statements and the notes thereto, which have all been prepared in accordance with Canadian generally accepted accounting principles. These documents along with others published by the Company are available on SEDAR at www.sedar.com.

Overall Performance:

The Company had a very active and productive year. The Company filed a National Instrument 43-101 Technical Report on its Duff Claims in Manitoba (the "**NI43-101 Report**") which is available on SEDAR at www.sedar.com. The Company held its annual meeting on December 16, 2010 where Frank van de Water, C.A., was added to the board of directors to take on the role of Chairman of the Audit Committee. He joined existing directors Antonio Mel de Quadros, Ph.D., P.Eng., William R. Johnstone, a Partner at Gardiner Roberts LLP, and Michael Wilson, a businessman and entrepreneur. All directors have extensive experience in the resource sector. Subsequent to the annual meeting, James R.B. Parres resigned as a director to focus his attention on Jiminex Inc. The board of directors wish to thank Mr. Parres for his years of service to the Company as a director and wish him success with Jiminex. The Company completed $36,400 of flow-through funding and $155,000 in hard dollar funding and settled $28,500 in debt for securities. The Company then completed a listing application to list the Company on the Canadian National Stock Exchange ("**CNSX**") and commenced trading on CNSX on February 14, 2011 under the symbol "RZR". The Company holds a 100% interest in five mining claims in Manitoba and has a recommended work program pursuant to its NI43-101 Report. The Company is actively pursuing the acquisition of further resource properties.

As at April 30, 2011 the Company had working capital of $144,764 (2010 - working capital deficiency of $25,534). The increase in working capital during the year is as a result of the private placement financings completed. The ability of the Company to realize on its assets and discharge its liabilities as they come due is dependent on the ability to generate cash flow from its investments and be able to continue to secure other forms of financing. The Company is actively seeking financing for exploration of its property.

Selected Annual Information:
(Canadian $)

	Year ended April 30, 2011	**Year ended April 30, 2010**	**Year ended April 30, 2009**
Revenue	$ -	$ -	**$ -**
Net loss	**84,953**	**34,325**	**41,149**
Net loss per share			
- basic and diluted	**.01**	**0.01**	**0.01**
Total assets	**242,713**	**93,188**	**102,702**

Results of Operations - year ended April 30, 2011 compared to the year ended April 30, 2010.

The Company had a gain on disposition of its marketable securities in the amount of $Nil (2010 – $1910).

In 2011 the Company had cash and cash equivalent assets in the amount of $92,593 compared to $1,016 in 2010. The increase was due to the private placement financing that closed during the year. In addition to the above noted cash the Company also had $36,400 in cash restricted to be spent on Canadian Exploration Expenditure as a result of the flow-through share financing that took place during the year.

The investment in mining claims at the end of 2011 was $40,448 compared to $65,593 at the end of 2010.

At the end of 2011 the Company had accounts payable and accrued liabilities in the amount of $53,180 compared to $35,429 at the end of 2010.

Liquidity and capital resources

At April 30, 2011, the Company had shareholders equity in the amount of $130,603 compared to shareholders deficiency of $1,465 at the end of 2010.

At April 30, 2011, the Company had an accumulated deficit in the amount of $994,161 compared to $909,208 at the end of 2010.

For 2011 and 2010 cash was used in operations as follows: $98,568 in 2011 and $18,204 in 2010. The Company received proceeds of $Nil on sale of its marketable securities in 2011 compared to $2,364 in 2010. In 2011, the Company received $201,400 in private placement financing which took place during the year (2010 - $3,350).

In 2011 and 2010 the Company had an investment in Tribute Minerals Inc. The Company owned 90,000 shares of Tribute Minerals Inc. which had a cost of $27,000. Effective December 3, 2010, Tribute change its name to **AurCrest Gold Inc.** and consolidated its stock on the basis of 1 new share of AurCrest Gold Inc. for each 5 shares of Tribute held. The Company now holds 18,000 common shares of AurCrest.

In accordance with the CICA section on Financial Instruments the investments have been classified as available for sale and carried at market value with changes in value reflected in comprehensive income. During the year ended April 30, 2011, the Company recognized a comprehensive loss in the amount of $3,779 (2010 - $2,325 gain) related to the unrealized gains on these available for sale financial instruments.

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 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.

Mining Properties:

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 consisted 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.

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.

New accounting policies issued but not yet adopted:

(i) International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board ("**AcSB**") confirmed the changeover to International Financial Reporting Standards ("**IFRS**") from Canadian Generally Accepted Accounting Principles ("**GAAP**") will be required for publicly accountable enterprises' interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. The AcSB issued the "omnibus" exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended July 31, 2011.

The Company has established a project plan and completed the initial diagnostic phase and will continue to update its MD&A disclosures throughout fiscal 2011 to reflect specific actions taken to facilitate changeover to IFRS effective May 1, 2011.

Analysis will be required for all current accounting policies, however the initial key areas for detailed analysis include:

- Deferred exploration expenditures,
- Property, plant and equipment,
- Impairment of assets,
- Provisions, including remediation provisions,
- Stock options (share-based payments), and
- First-time adoption of International Financial Reporting Standards (IFRS 1)

The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Complete
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Complete
Assessment of first time adoption (IFRS 1) requirements and alternatives.	Complete
Final determination of changes to accounting policies and choices to be made with respect to first time adoption alternatives.	Complete
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements.	Complete
Management and employee education and training.	Continual
Quantification of the Financial Statement impact of changes in accounting policies.	Throughout fiscal 2012

(ii) Business combinations

In January 2009, the CICA issued Handbook Section 1582, "Business combinations," which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

(iii) Non-controlling interests

In January 2009, the CICA issued Handbook Section 1602, "Non-controlling interests," which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

(iv) Consolidated financial statements

In January 2009, the CICA issued Handbook Section 1601, "Consolidated financial statements," which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

Transactions with related parties:

Legal fees in the amount of $62,382 (2010- $22,462) were charged by a legal firm in which one of the Company's directors is a partner. Included in accounts payable at year end is $42,669 (2010 - $14,227) outstanding to this firm.

All of the Company's interests in mining claims 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 for by an individual who is a director of the Company. In addition, the Company issued 350,000 common shares to settle debt of $21,000 with a party related to a director.

Related party transactions are recorded at exchange amounts which approximate fair value.

Share Capital

Authorized:

Unlimited common shares

Capital stock:

	2011	2010
Common shares	$ 1,126,194	912,894
Warrants	7,500	1,250
Balance April 30	$ 1,133,694	$ 914,144

Issued common shares:

	# shares	$ value
Balance April 30, 2009	5,321,769	$ 895,794
Issued private placement	67,000	3,350
Balance April 30, 2010	5,388,769	$ 912,894
Issued Private placement	3,300,000	157,500
Issued Private placement – Flow Through	519,999	36,400
Issued for debt settlement	500,000	28,500
Less share issue costs		(9,100)
Balance April 30, 2011	9,708,768	$ 1,126,194

Issued warrants:

	# warrants	$ value
Balance April 30, 2009	2,200,000	$ 13,750
Issued private placement	67,000	-
Expired	(2,000,000)	(12,500)
Balance April 30, 2010	267,000	$ 1,250
Issued private placement	3599,999	7,200
Issued – debt settlement	150,000	300
Expired	(200,000)	(1,250)
Balance April 30, 2011	3,776,999	$ 7,.500

In the current 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 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 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.

During the prior year the Company had a private placement for 67,000 units at $0.05 per unit for gross proceeds of $3,350. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into a further common share for $0.10 per share until expiry on April 12, 2012. The value of the warrants was calculated as $330, which management considered to be an immaterial amount. The value of the warrants was determined using a Black-Scholes option pricing model with the following weighted average assumptions; dividend yield of 0%, expected volatility of 55%, risk-free rate of interest of 2.25% and expected life of 24 months.

The Company has no outstanding options at April 30, 2011 and 2010.

For the prior year the Company had outstanding 267,000 warrants convertible into common shares on a one-to-one basis at $0.10 per share for a two-year period ending May 2, 2010 and April 12. 2012.

The number of common shares outstanding on a fully diluted basis as at April 30, 2011 was 13,485,767 and as at August 26, 2011 is 14,035,767.

Summary of Quarterly Results

	Apr 30 2011	**Jan 31 2011**	**Oct 31 2010**	**Jul 31 2010**	**Apr 30 2010**	**Jan 31 2009**	**Oct 31 2009**	**July 31 2009**
Revenue	$-	$ -	$ -	$1,910	$ -	$ -	$ -	$ -
Net income (loss)	(19,631)	(39,440)	(12,330)	(13,552)	(16,197)	(13,341)	(2,472)	(2,315)
Net income (loss) per share								
-basic and diluted	(0.01)	-	-	-	(0.01)	-	-	-
Total assets	242,713	263,839	97,093	94,172	93,188	102,053	109,810	101,026

Outstanding Share Data
Common shares and convertible securities outstanding at August 26, 2011 were:

Security	Expiry Date	Exercise Price	Securities Outstanding	Common Shares on Exercise
Common shares	n/a	n/a	9,708,768	N/A
Warrants	Various	$0.10	3,776,999	3,776,999
Options	May 6, 2016	$0.15	550,000	550,000

Subsequent Events

Subsequent to year end the Company issued 550,000 stock options to directors, exercisable into common shares $0.15 per share for a period of 5 years expiring on May 6, 2016.

Risk Factors

The Company is exposed to credit risk and liquidity risk. The Company's primary risk management objective is to protect assets, earnings and cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure that the Company's risks and the related exposure are consistent with its business objectives and risk tolerance. There have been no changes to the risks to which the Company is exposed or to the corresponding risk management strategies during the current period.

Credit risk
The Company's accounts receivable include amounts that are recoverable on account of harmonized sales tax. These amounts are subject to verification through audits that may be conducted by Canada Revenue Agency. The accounts receivable do not contain any past due amounts and the Company has no history of bad debts.

Liquidity risk
The Company currently has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it to enable it to meet its obligations as they become due. Although the Company has been successful in the past in financing its activities, there can be no assurance that it will be able to do so in the future.

In addition to the financial risks noted above, given the Company's current status as an exploration stage company, there are numerous additional risk factors that could affect the Company's business prospects and future performance, including the following. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

Additional capital
The exploration and development of the Company's mineral property interests will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on the Company's mineral property interests. The Company will also require additional funding to acquire further property interests. The ability of the Company to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury of the Company, control of the Company may change and security holders may suffer additional dilution.

Operating history

The Company has a very limited history of operations and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and an absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholder investment and the likelihood of success must be considered in light of its early stage of operations.

Highly speculative business

The nature of the Company’s business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the deposit (principally size and grade), the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production.

Commodity price and exchange rate fluctuations

The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company’s control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Key officers, consultants and employees

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company’s success. The Company has not purchased any key-man insurance with respect to any of its directors, officers or consultants and has no current plans to do so.

Title

The mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and as a result, are subject to annual compliance with assessment work requirements. Other parties may dispute the Company’s title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims and title may be affected by undetected defects. There is no guarantee that title to the Company’s properties or its rights to earn an interest in its properties will not be challenged or impugned. Also, in many countries including Canada and the USA, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries in respect of resource properties.

Maintaining interests in mineral properties

The Company’s continuing right to maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licenses to carry on its operations. Additional expenditures will be required by the Company to maintain its interests in its properties. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

External market factors

The marketability and price of minerals which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The Company will be affected by changing production costs, the supply or/and demand for minerals, the rate of inflation, the inventory levels of minerals held by competing companies, the political environment and changes in international investment patterns.

Governmental and regulatory requirements

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may include requirements for the Company to take corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of properties.

Environmental regulations

All phases of the Company's operations are subject to environmental regulation. Environmental legislation is becoming more strict, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that environmental regulation will not adversely affect the Company's operations. Environmental hazards may exist on a property in which the Company holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, and enforcement, fines and penalties for non-compliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the countries in which it is active.

Conflicts of interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (Ontario), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Uninsured risks
The Company currently does not have liability insurance.

Competition in acquiring additional properties
Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Dividend policy
No dividends on the common shares of the Company have been paid by the Company to date. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

Outlook

As indicated on the first page under the heading Overall Performance, the Company has had a very fruitful year. Although the Company made significant steps in respect of its reactivation, insufficient flow-through funds were raised to complete the first phase of exploration on the Company's Duff Claims in Manitoba. The Company is seeking further financing and additional property interests in Manitoba and Ontario to both add shareholder value and help facilitate further financing of the Company. In spite of the recent turmoil in the markets, the resource sector remains reasonably optimistic and the management of the Company is hopeful that it will be able to build the Company with property acquisitions and financings now that the Company has more liquidity through its listing on CNSX.

Forward Looking Information

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements reflect the current expectations of the management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward-looking statements, such as reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors and including the risk factors summarized below and under the heading "Risk Factors" in the Company's MD&A filed with its audited Financial Statements for the years ended April 30, 2010 and 2009. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information:

(1) Additional information about the Company may be found on SEDAR at www.sedar.com.

(2) Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for the Company's most recent annual meeting of security holders held on December 10, 2010.

(3) Additional information is provided in the Company's financial statements for the most recently completed financial reporting period (year end April 30, 2011).