

RAZORE ROCK RESOURCES INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

UNAUDITED

Responsibility for financial statements

The accompanying interim financial statements for Razore Rock Resources Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the April 30, 2010 audited financial statements. Only changes in accounting information have been disclosed in these interim financial statements.

These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Auditor involvement

The auditors of Razore Rock Resources Inc. have not performed a review of the unaudited financial statements for the three and nine months ended January 31, 2011 and 2010.

RAZORE ROCK RESOURCES INC.
(Incorporated under the Laws of the Province of Ontario)

CONSOLIDATED INTERIM BALANCE SHEETS

UNAUDITED

	Jan. 31, <u>2011</u>	April 30, <u>2010</u> (audited)
ASSETS		
Current:		
Cash	\$ 119,848	\$ 1,016
Cash restricted for exploration	36,400	-
H.S.T. receivable	15,043	8,879
Prepaid expenses	<u>47,600</u>	<u>41,276</u>
	<u>218,891</u>	<u>51,171</u>
Mining Claims	<u>40,448</u>	<u>33,917</u>
Investments	<u>4,500</u>	<u>8,100</u>
	<u>\$ 263,839</u>	<u>\$ 93,188</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	<u>\$ 55,102</u>	<u>\$ 35,429</u>
Minority interest	<u>59,224</u>	<u>59,224</u>
SHAREHOLDERS' EQUITY		
Capital stock	1,134,044	914,144
Contributed surplus	12,500	12,500
Deficit	(974,530)	(909,208)
Accumulated other comprehensive income	<u>(22,501)</u>	<u>(18,901)</u>
	<u>149,513</u>	<u>(1,465)</u>
	<u>\$ 263,839</u>	<u>\$ 93,188</u>

Approved on behalf of the board:

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

"Michael Wilson"
Michael Wilson, director

RAZORE ROCK RESOURCES INC.

CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

	UNAUDITED			
	Three months ended		Nine months ended	
	January 31		January 31	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Expenses:				
General administration	3,326	2,364	\$ 6,389	\$ 3,983
Professional fees	<u>36,114</u>	<u>12,887</u>	<u>58,933</u>	<u>16,055</u>
	<u>39,440</u>	<u>15,251</u>	<u>65,322</u>	<u>20,038</u>
Gain on sale of marketable securities classified as held for trading	<u>-</u>	<u>1,910</u>	<u>-</u>	<u>1,910</u>
Net loss for the period	<u>\$ (39,440)</u>	<u>\$ (13,341)</u>	<u>\$ (65,322)</u>	<u>\$ (18,128)</u>
Net loss per share basic and diluted	<u>\$ (0.007)</u>	<u>\$ (0.003)</u>	<u>\$ (0.012)</u>	<u>\$ (0.003)</u>
Weighted average number of share basic and diluted	<u>5,404,444</u>	<u>5,321,769</u>	<u>5,404,444</u>	<u>5,321,769</u>

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

	UNAUDITED			
	Three months ended		Nine months ended	
	January 31		January 31	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net loss for the period	\$ (39,440)	\$ (13,341)	\$ (65,322)	\$ (18,128)
Other comprehensive income, net of tax:				
Change in unrealized gains and losses on available-for-sale financial assets	<u>-</u>	<u>(860)</u>	<u>-</u>	<u>4,126</u>
Comprehensive income (loss)	<u>\$ (39,440)</u>	<u>\$ (14,201)</u>	<u>\$ (65,322)</u>	<u>\$ (14,002)</u>

RAZORE ROCK RESOURCES INC.

CONSOLIDATED INTERIM STATEMENTS OF DEFICIT

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

UNAUDITED

	Three months ended		Nine months ended	
	January 31		January 31	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Deficit, beginning of period	\$ (935,090)	\$ (879,675)	\$ (909,208)	(874,888)
Net loss for the period	<u>(39,440)</u>	<u>(13,341)</u>	<u>(65,322)</u>	<u>(18,128)</u>
Deficit, end of period	<u>\$ (974,530)</u>	<u>\$ (893,016)</u>	<u>\$ (974,530)</u>	<u>\$ (893,016)</u>

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

UNAUDITED

	Three months ended		Nine months ended	
	January 31		January 31	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash was provided by (used in) the following activities:				
Operations:				
Net loss for the period	\$ (39,440)	\$ (13,341)	\$ (65,322)	\$ (18,128)
Items not requiring an outlay of cash:				
Gain to reflect change in fair value of investments classified as held for trading	-	(1,910)	-	(1,910)
Net change in non-cash working capital balances related to operations (<i>Note 6</i>)	<u>10,443</u>	<u>5,848</u>	<u>35,683</u>	<u>12,622</u>
	<u>(28,997)</u>	<u>(9,403)</u>	<u>(29,639)</u>	<u>(7,416)</u>
Investments:				
Proceeds from sale of marketable securities	-	2,366	-	2,366
Expenditures on mining claims	<u>(6,530)</u>	<u>(6,400)</u>	<u>(6,530)</u>	<u>(6,400)</u>
	<u>(6,530)</u>	<u>(4,034)</u>	<u>(6,530)</u>	<u>(4,034)</u>
Financing:				
Cash restricted for exploration	(36,400)	-	(36,400)	-
Capital stock issued for cash	<u>191,400</u>	<u>-</u>	<u>191,400</u>	<u>-</u>
	<u>155,000</u>	<u>-</u>	<u>155,000</u>	<u>-</u>
Net change in cash during the period	119,473	(13,437)	118,831	(11,450)
Cash, beginning of period	<u>375</u>	<u>25,092</u>	<u>1,017</u>	<u>23,105</u>
Cash, end of period	<u>\$ 119,848</u>	<u>\$ 11,655</u>	<u>\$ 119,848</u>	<u>\$ 11,655</u>

RAZORE ROCK RESOURCES INC.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

UNAUDITED

1. Nature of Operations and Going Concern:

The Company is a public company which is currently not listed on a stock exchange. At January 31, 2011 the Company has working capital in the amount of \$163,789. 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. Significant accounting policies:

The unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") for interim financial information. Accordingly, these interim consolidated financial statements do not include all information and note disclosures under GAAP and they should be read in conjunction with the consolidated financial statements of the Company for the year ended April 30, 2010. With the exceptions noted below, the interim consolidated financial statements follow the same accounting policies and their method of application as the most recently completed annual consolidated financial statements noted above.

New accounting pronouncements not yet adopted:

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

The CICA plans to require public companies to adopt IFRS effective no later than January 1, 2011. Management is currently reviewing the transition to IFRS and determining the potential impact, if any, on the Company's consolidated financial statements.

(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.

RAZORE ROCK RESOURCES INC.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

UNAUDITED

3. Related party transactions and balances:

Legal fees in the amount of \$52,433 (2010 - \$13,055) were charged by a legal firm in which one of the Company's directors is a partner. Included in accounts payable is \$49,849 (2010 - \$4,455) related to these fees. During the current quarter the Company settled debts in the amount of \$21,000 by issuing 350,000 common shares at \$0.06 per share to a Company related to this individual.

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.

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

5. Capital stock:

Authorized:

Unlimited common shares

Issued:

	<u>2011</u>	<u>2010</u>
Common shares (see below)	\$ 1,125,294	\$ 912,894
Warrants (see below)	<u>8,750</u>	<u>1,250</u>
Balance January 31	<u>\$ 1,134,044</u>	<u>\$ 914,144</u>

Issued common shares:

	<u># shares</u>	<u>\$ value</u>
Balance April 30, 2009	5,321,769	\$ 909,544
Issued for cash - private placement	<u>67,000</u>	<u>3,350</u>
Balance April 30, 2010	5,388,769	\$ 912,894
Issued for cash - private placements	3,619,999	183,900
Issued for debt settlement	<u>500,000</u>	<u>28,500</u>
Balance January 31, 2011	<u>9,508,768</u>	<u>\$ 1,125,294</u>

Issued warrants:

	<u># warrants</u>	<u>\$ value</u>
Balance April 30, 2010	67,000	\$ 1,250
Issued private placements and debt settlement	<u>3,509,999</u>	<u>7,500</u>
Balance January 31, 2011	<u>3,576,999</u>	<u>\$ 8,750</u>

RAZORE ROCK RESOURCES INC.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011

During the quarter the company completed a private placement of 519,999 flow-through units at \$0.07 per unit and 3,100,000 working capital units at \$0.05 per unit for gross proceeds of \$191,400. Each flow-through unit consists of one common share and one-half of one common share purchase warrant and each working capital unit consists of one common share and one common share purchase warrant. Each whole warrant is exercisable into a further common share for \$0.10 per share until expiry until the earlier of: (i) eighteen (18) months from the closing date; and (ii) in the event that the closing price of the common shares is at least \$0.20 for twenty consecutive days, and the 20th trading day (the "final trading day") is at least four months from the closing date, the date which is thirty days from the final trading day. The value allocated to the warrants, in the amount of \$7,500 has been 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 1.9% and expected life of 18 months.

The Company issued 350,000 common shares to settle debts with a related party in the amount of \$21,000.

In addition, the Company issued 150,000 units at \$0.05 per unit to settle debt in the amount of \$7,500. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into a further common share for \$0.10 per share with the same expiry terms as noted for the warrants issued in the private placement disclosed above.

6. Supplemental cash flow information:

Net change in non-cash working capital:

	<u>2011</u>	<u>2010</u>
H.S.T receivable	\$ (6,164)	\$ (2,138)
Accounts payable and accrued liabilities	48,171	(4,308)
Prepaid expenses	<u>(6,324)</u>	<u>-</u>
	<u>\$ 35,683</u>	<u>\$ (6,446)</u>
Non-cash investing and financing activities:		
Common shares issued for debt	<u>\$ 28,500</u>	<u>\$ -</u>

7. Subsequent event:

Subsequent to quarter end the Company completed a further tranche of its working capital financing in which it issued 200,000 units at \$0.05 per share for gross proceeds of \$10,000. Each unit consisted of one common share and one common share purchase warrant to purchase a further common share at \$0.10 per share, expiring August 11, 2012.