

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIOD ENDED OCTOBER 31, 2014
(expressed in Cdn \$)

UNAUDITED

Notice of disclosure of non-auditor review of consolidated interim financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying condensed consolidated interim financial statements of the Company for the three and six months ended October 31, 2014 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards and are the responsibility of the Company's management.

The Company's auditors have not performed an audit or a review of these interim financial statements.

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

UNAUDITED
(Expressed in Canadian Dollars)

	Oct 31, 2014	April 30, 2014
ASSETS		
Current:		
Cash and cash equivalents	\$ 338	\$ 15,240
Prepaid expenses	22,386	22,386
H.S.T. receivable	<u>4,876</u>	<u>4,048</u>
	<u>27,600</u>	<u>41,674</u>
Non-current assets:		
Exploration and evaluation assets	106,998	106,998
Investment (Note 5)	<u>721</u>	<u>271</u>
	<u>\$ 135,319</u>	<u>\$ 148,943</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	<u>\$ 139,790</u>	<u>\$ 140,164</u>
Non-current liabilities:		
Non-controlling interest	<u>59,739</u>	<u>59,739</u>
SHAREHOLDERS' EQUITY		
Common Shares	1,155,769	1,155,769
Warrants	7,500	7,500
Equity component of share-based payments	130,750	130,750
Deficit	(1,331,948)	(1,318,248)
Accumulated other comprehensive income (loss)	<u>(26,281)</u>	<u>(26,731)</u>
	<u>(64,210)</u>	<u>(50,960)</u>
	<u>\$ 135,319</u>	<u>\$ 148,943</u>

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 condensed consolidated interim financial statements

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE AND SIX MONTH PERIOD ENDED OCTOBER 31, 2014

UNAUDITED
(Expressed in Canadian Dollars)

	Three months ended October 31		Six months ended October 31	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Expenses:				
General administration	\$ 6,506	\$ 5,537	\$ 9,753	\$ 10,076
Professional fees (Note 7)	<u>2,777</u>	<u>3,537</u>	<u>3,947</u>	<u>4,123</u>
	9,283	9,074	13,700	14,199
Net loss for the period	(9,283)	(9,074)	(13,700)	(14,199)
Other comprehensive income, net of tax:				
Change in unrealized gains and losses on available-for-sale financial assets	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>
Comprehensive loss for the period	<u>\$ (8,833)</u>	<u>\$ (9,074)</u>	<u>\$ (13,250)</u>	<u>\$ (14,199)</u>
Net loss per share - basic and diluted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Weighted average number of shares outstanding - basic and diluted	<u>10,058,768</u>	<u>9,708,768</u>	<u>10,058,768</u>	<u>9,708,768</u>

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

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE THREE AND SIX MONTH PERIOD ENDED OCTOBER 31, 2014

UNAUDITED
(Expressed in Canadian Dollars)

	Common Shares		Equity component of:				Total Shareholders Equity
	# Shares	\$ Amount	Warrants	Share-based payments	Accumulated Comp. loss	Deficit	
Balance April 30, 2013	9,708,768	\$ 1,124,269	\$ 7,500	\$ 88,750	\$ (26,641)	\$ (1,172,849)	\$ 21,029
Change for the period	-	-	-	-	-	(14,199)	(14,199)
Balance October 31, 2013	9,708,768	1,124,269	7,500	88,750	(26,641)	(1,187,048)	6,830
Common shares issued for property	200,000	16,500					16,500
Exercised of Warrants	150,000	15,000	-				15,000
Shared based payments				42,000			42,000
Net loss for the period	-	-	-	-	(90)	(131,200)	(131,290)
Balance April 30, 2014	10,058,768	1,155,769	7,500	130,750	(26,731)	(1,318,248)	(50,960)
Change for the period	-	-	-	-	450	(13,700)	(13,250)
Balance October 31, 2014	10,058,768	\$ 1,155,769	\$ 7,500	\$ 130,750	\$ (26,281)	\$ (1,331,948)	\$ (64,210)

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

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2014

UNAUDITED
(Expressed in Canadian Dollars)

	Six months ended October 31	
	<u>2014</u>	<u>2013</u>
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the period	\$ (13,700)	\$ (14,199)
Net change in non-cash working capital balances related to operations (<i>Note 8</i>)	<u>(1,202)</u>	<u>(2,976)</u>
	<u>(14,902)</u>	<u>(17,175)</u>
Net change in cash during the period	(14,902)	(17,175)
Cash and cash equivalents, beginning of period	<u>15,240</u>	<u>36,040</u>
Cash and cash equivalents, end of period	\$ <u>338</u>	\$ <u>18,865</u>

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

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2014

UNAUDITED

(Expressed in Canadian Dollars)

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 October 31, 2014 the Company had working capital deficiency in the amount of \$112,190 (April 30, 2013 - \$98,490).

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:

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared for the six months ended October 31, 2014, including comparative figures, in accordance with International Financial Reporting Standards ("IFRS"), and in particular in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). They have been prepared using the accounting policies the Company expects to adopt in its consolidated financial statements as at and for the financial year ending April 30, 2015.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's April 30, 2014 year end audited consolidated financial statements as prepared in accordance with IFRS.

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 January 1, 2015 or later periods. Updates that are not applicable or immaterial to the Company have been excluded.

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2014

UNAUDITED

(Expressed in Canadian Dollars)

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

Effective for annual periods beginning on or after January 1, 2015, 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, 2015 and has not yet considered the potential impact of the adoption of IFRS 9.

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 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.

- 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 comprise working capital. 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. Investment:

The Company has investments in Aurcrest Gold Inc. as follows:

	October 31, 2014	April 30, 2014
18,000 shares of Aurcrest Gold Inc.	\$ <u>721</u>	\$ <u>271</u>

The fair market value of its investment as at October 31, 2014 is approximately \$721 (April 30, 2014 - \$271). These available for sale financial instruments have been adjusted to fair market value resulting in a comprehensive gain in the amount of \$450 which has been reflected in other comprehensive income.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6. 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.

No share based payments were made in the current quarter.

The change in stock options during the year ended April 30, 2014 and six months ended October 31, 2014 are as follows:

	Number of options	Wtd Avge exc. price
At October 31, 2014 and April 30, 2014	<u>950,000</u>	<u>\$ 0.12</u>

The following table summarizes information about options outstanding at October 31, 2014:

	Number of options	Remaining contractual life in years
Exercise price		
\$0.10	550,000	1.52
\$0.14	<u>400,000</u>	<u>4.31</u>
	<u>950,000</u>	<u>2.69</u>

Warrants:

The following table summarizes information about common share purchase warrants outstanding at October 31, 2014 and April 30, 2014:

	Warrants outstanding and exercisable	Weighted avge exercise price
Outstanding October 31, 2014 and April 30, 2014	<u>3,559,999</u>	<u>\$ 0.10</u>

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2014

UNAUDITED
(Expressed in Canadian Dollars)

6. Share based payments (continued):

The following table summarizes information about the warrants outstanding at October 31, 2014

Weighted. avge. Exercise Price	Warrants outstanding and exercisable	Whtd. avge. remaining contractual life in years
\$ 0.10	<u>3,559,999</u>	<u>0.20</u>

7. Related party transactions and balances:

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

Related Party	Item	Six months ended October 31	
		2014	2013
Director	Legal and business opportunity fees charged to statement of loss	\$ 3,646	\$ 4,237
Key Management Personnel	Salaries and fees charged to statement of loss	\$ 1,890	
	Share-based payments charged to statement of loss	\$ -	\$ -

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

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:

	Oct 31 <u>2014</u>	Oct 31 <u>2013</u>
H.S.T receivable	\$ (828)	\$ 16,649
Accounts payable and accrued liabilities	(374)	(10,089)
Prepaid deposits	-	(9,536)
	<u>\$ (1,202)</u>	<u>\$ (2,976)</u>