

**RAZORE ROCK RESOURCES INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2017 AND 2016**  
**(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 nine months ended January 31, 2017 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.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

### UNAUDITED (Expressed in Canadian Dollars)

	Jan 31, 2017	April 30, 2016
<b>ASSETS</b>		
<b>Current:</b>		
Cash	\$ 16,267	\$ 1,967
H.S.T. receivable	<u>3,380</u>	<u>3,377</u>
	<u>19,647</u>	<u>5,344</u>
<b>Non-current assets:</b>		
Investments	<u>541</u>	<u>720</u>
	<u>\$ 20,188</u>	<u>\$ 6,064</u>
<b>LIABILITIES</b>		
<b>Current:</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 138,943	\$ 158,274
Short term loan payable (Note 10)	<u>55,870</u>	<u>28,912</u>
	<u>194,813</u>	<u>187,186</u>
<b>EQUITY (DEFICIENCY)</b>		
Common Shares (Note 6)	1,175,769	1,155,769
Contributed surplus	138,250	138,250
Deficit	(1,521,922)	(1,508,598)
Accumulated other comprehensive income	<u>(26,461)</u>	<u>(26,282)</u>
<b>Deficiency attributable to owners of the Company</b>	<u>(234,364)</u>	<u>(240,861)</u>
Non-controlling interests	<u>59,739</u>	<u>59,739</u>
<b>Total Deficiency</b>	<u>(174,625)</u>	<u>(181,122)</u>
	<u>\$ 20,188</u>	<u>\$ 6,064</u>

Approved on behalf of the board on March 30, 2017:

*"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 STATEMENT OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

#### UNAUDITED

(Expressed in Canadian Dollars)

	Three months ended January 31		Nine months ended January 31	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Expenses:				
General administration (Note 10)	2,991	2,971	\$ 9,981	\$ 11,157
Professional fees (Note 8)	<u>2,422</u>	<u>-</u>	<u>3,343</u>	<u>-</u>
	<u>5,413</u>	<u>2,971</u>	<u>13,324</u>	<u>11,157</u>
Loss and comprehensive loss for the period	<u>\$ (5,413)</u>	<u>\$ (2,971)</u>	<u>\$ (13,324)</u>	<u>\$ (11,157)</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>10,061,508</u>	<u>10,058,768</u>	<u>10,061,508</u>	<u>10,058,768</u>

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

## RAZORE ROCK RESOURCES INC.

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

**UNAUDITED**  
(Expressed in Canadian Dollars)

	Common # Shares	Shares \$ Amount	Contributed Surplus	Accumulated Comp. loss	Deficit	Total Shareholders Equity
Balance April 30, 2015	10,058,768	\$ 1,155,769	\$ 138,250	\$ (26,642)	\$ (1,476,541)	\$ (209,164)
Net loss for the period	-	-	-	-	(11,157)	(11,157)
Balance January 31, 2016	10,058,768	1,155,769	138,250	(26,642)	(1,487,698)	(220,321)
Net loss balance of year	-	-	-	360	(20,900)	(20,540)
Balance April 30, 2016	10,058,768	1,155,769	138,250	(26,282)	(1,508,598)	(240,861)
Private placement financing	1,000,000	20,000	-	-	-	20,000
Net loss for the period	-	-	-	(179)	(13,324)	(13,503)
Balance January 31, 2017	11,058,768	\$ 1,175,769	\$ 138,250	\$ (26,461)	\$(1,521,922)	\$ (234,364)

*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 NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

### UNAUDITED

(Expressed in Canadian Dollars)

	<u>2017</u>	<u>2016</u>
Cash was provided by (used in) the following activities:		
<b>Operations:</b>		
Net loss for the period	\$ (13,324)	\$ (11,157)
Items not requiring an outlay of cash:		
Net change in non-cash working capital balances related to operations ( <i>Note 8</i> )	<u>(19,334)</u> <u>(32,658)</u>	<u>(15,785)</u> <u>(26,942)</u>
<b>Financing:</b>		
Short term demand loans from related parties	26,958	26,912
Capital stock issued for cash	<u>20,000</u>	<u>-</u>
	<u>46,958</u>	<u>26,912</u>
Net change in cash during the period	14,300	(30)
Cash, beginning of period	<u>1,967</u>	<u>1,379</u>
Cash, end of period	<u>\$ 16,267</u>	<u>\$ 1,349</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 NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

### 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 January 31, 2017 the Company had a working capital deficiency in the amount of \$175,166. (April 30, 2016 - \$181,842).

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 does not have adequate funds to meet its corporate, administrative and property obligations for the following year and will require additional debt or equity financing to continue operating.

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. These adjustments could be material.

#### 2. Significant accounting policies:

##### (a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared for the nine months ended January 31, 2017, including comparative figures, in accordance with International Accounting Standard ("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, 2017.

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, 2016 year end audited consolidated financial statements 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, 2017 or later periods. 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, 2018, 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, 2018 and has not yet considered the potential impact of the adoption of IFRS 9.

# RAZORE ROCK RESOURCES INC.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

**UNAUDITED**  
(Expressed in Canadian Dollars)

### 3. Exploration and evaluation assets:

During the previous year ended April 30, 2016 the Company allowed its last mineral property to expire. The claim had been held at a nominal amount therefore the write-down was also in a nominal amount.

### 4. Capital Management:

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, there is no certainty the Company will be able to issue shares.

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. Investments:

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

	January 31, <u>2017</u>	April 30, <u>2016</u>
18,000 shares of Aurcrest Gold Inc.	\$ <u>541</u>	\$ <u>720</u>

The fair market value of its investment as at January 31, 2017 is approximately \$541 (April 30, 2016 - \$720). These available for sale financial instruments have been adjusted to fair market value.

### 6. Capital stock:

During the current quarter, the Company closed a private placement for 1,000,000 common shares of the Company at a price of \$0.02 per share for total proceeds of \$20,000. The proceeds will be used for working capital purposes.

### 7. 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.

The change in stock options during the year ended April 30, 2016 and nine months ended January 31, 2017 are as follows:

	Number of options	Wtd Avge ex. price
As at April 30, 2015 and April 30, 2016	<u>950,000</u>	\$ <u>0.12</u>
Expired	<u>(550,000)</u>	\$ <u>0.10</u>
As at January 31, 2017	<u>400,000</u>	\$ <u>0.14</u>

# RAZORE ROCK RESOURCES INC.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

**UNAUDITED**  
(Expressed in Canadian Dollars)

The following table summarizes information about options outstanding at January 31, 2017:

	<b>Number of options</b>	<b>Remaining contractual life in years</b>
<b>Exercise price</b>		
\$0.14	<u>400,000</u>	<u>2.05</u>

**Warrants:**

The Company has no common share purchase warrants outstanding as at January 31, 2017 and April 30, 2016.

**8. Related party transactions and balances:**

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

<b>Related Party</b>	<b>Item</b>	<b>Nine months ended January 31</b>	
		<b>2017</b>	<b>2016</b>
<b>Director</b>	Legal fees charged to statement of loss	\$ 3,343	\$ -
	Amounts included in accounts payable related to above noted fees	\$ 97,296	\$ 112,912
	Temporary non-interest bearing, unsecured demand loans from directors and related parties	\$ 22,005	\$ 11,174
<b>Key Management Personnel</b>			
	Salaries and fees charged to statement of loss	\$ -	\$ -
	Share-based payments charged to statement of loss	\$ -	\$ -

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.

**9. Supplemental cash flow information:**

	Jan 31 <u>2017</u>	Jan 31 <u>2016</u>
Net change in non-cash working capital:		
H.S.T receivable	\$ (3)	\$ (1,317)
Accounts payable and accrued liabilities	<u>(19,331)</u>	<u>(14,468)</u>
	<u>\$ (19,334)</u>	<u>\$ (15,785)</u>



# RAZORE ROCK RESOURCES INC.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JANUARY 31, 2017 AND 2016

UNAUDITED

(Expressed in Canadian Dollars)

### 10. Short term loan payable :

During the prior year and previous quarters the Company received loans in the amount of \$30,645 from an unrelated party. The loans are unsecured, interest bearing at 10% per annum and are due on demand. The Company has accrued interest on these loans in the amount of \$4,026 as at January 31, 2017 which is included in accounts payable and accrued liabilities. Interest expense in the amount of \$766 has been recorded in the current quarter and is included in general administrative expenses.

During the previous quarter the Company received a loan in the amount of \$15,000 from an unrelated party. The loan is unsecured, interest bearing at 1.25% per month (15% annually) and comes due on August 9, 2017. Interest in the amount of \$1,125 has been accrued for this loan and is included in accounts payable and accrued liabilities. Interest expense of \$562 has been recorded in the current quarter and is included in general administrative expenses.

During the current quarter ended the Company received a loan in the amount of \$10,225 from an unrelated party. The loan is unsecured, interest bearing at 1.25% per month (15% annually). Interest expense of \$59 is accrued in accounts payable and accrued liabilities for this loan as at January 31, 2017.