

RAZORE ROCK RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017
(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 months ended July 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.
(Incorporated under the Laws of the Province of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

UNAUDITED
(Expressed in Canadian Dollars)

	July 31, 2017	April 30, 2017
ASSETS		
Current:		
Cash and cash equivalents	\$ 4,769	\$ 7,795
H.S.T. receivable	<u>4,411</u>	<u>4,216</u>
	<u>9,180</u>	<u>12,011</u>
Investments (Note 4)	<u>720</u>	<u>720</u>
	<u>\$ 9,900</u>	<u>\$ 12,731</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (Note 6)	\$ 144,074	\$ 146,963
Short term loan payable (Note 8)	<u>63,170</u>	<u>55,870</u>
	<u>207,244</u>	<u>202,833</u>
DEFICIENCY		
Common Shares	1,175,769	1,175,769
Contributed surplus	138,250	138,250
Accumulated other comprehensive income	(26,282)	(26,282)
Deficit	<u>(1,544,820)</u>	<u>(1,537,578)</u>
Deficiency attributable to owners of the Company	<u>(257,083)</u>	<u>(249,841)</u>
Non-controlling interests	<u>59,739</u>	<u>59,739</u>
Total deficiency	<u>(197,344)</u>	<u>(190,102)</u>
	<u>\$ 9,900</u>	<u>\$ 12,731</u>

Approved on behalf of the board on September 28, 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 MONTH PERIOD ENDED JULY 31, 2017

UNAUDITED
(Expressed in Canadian Dollars)

	Three months ended July 31	
	<u>2017</u>	<u>2016</u>
Expenses:		
General administration	\$ 1,830	\$ 2,314
Interest on short term loans	1,747	-
Professional fees	<u>3,665</u>	<u>921</u>
Net loss for the period	<u>(7,242)</u>	<u>(3,235)</u>
Other comprehensive income, net of tax:		
Change in unrealized gains and losses on available-for-sale financial assets	<u>-</u>	<u>(179)</u>
Comprehensive loss for the period	<u>\$ (7,242)</u>	<u>\$ (3,414)</u>
Net loss per share - basic and diluted	<u>\$ -</u>	<u>\$ -</u>
Weighted average number of shares outstanding - basic and diluted	<u>11,058,768</u>	<u>10,058,768</u>

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RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

UNAUDITED
(Expressed in Canadian Dollars)

	Common Shares		Reserves	Reserves	Accumulated		Total
	# Shares	\$ Amount	Warrants	Contributed	Comp. loss	Deficit	Shareholders
				Surplus			Equity
Balance April 30, 2016	10,058,768	\$ 1,155,769	\$ -	\$ 138,250	\$ (26,282)	\$ (1,508,598)	\$ (240,861)
Net loss for the quarter	-	-	-	-	-	(3,414)	(3,414)
Balance July 31, 2016	10,058,768	1,155,769	-	138,250	(26,282)	(1,512,012)	(244,275)
Issued for cash	1,000,000	20,000	-	-	-	-	20,000
Net loss balance of year	-	-	-	-	-	(25,566)	(25,566)
Balance April 30, 2017	11,058,768	1,175,769	-	138,250	(26,282)	(1,537,578)	(249,841)
Net loss for the quarter	-	-	-	-	-	(7,242)	(7,242)
Balance July 31, 2017	11,058,768	\$ 1,175,769	\$ -	\$ 138,250	\$ (26,282)	\$ (1,544,820)	\$ (257,083)

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 THREE MONTH PERIOD ENDED JULY 31, 2017

UNAUDITED
(Expressed in Canadian Dollars)

	Three months ended July 31	
	<u>2017</u>	<u>2016</u>
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the period	\$ (7,242)	\$ (3,235)
Net change in non-cash working capital balances related to operations (<i>Note 7</i>)	<u>(3,084)</u>	<u>205</u>
	<u>(10,326)</u>	<u>(3,030)</u>
Financing:		
Short term loans payable (<i>Note 8</i>)	<u>7,300</u>	<u>1,733</u>
Net change in cash during the period	(3,026)	(1,297)
Cash and cash equivalents, beginning of period	<u>7,795</u>	<u>1,379</u>
Cash and cash equivalents, end of period	\$ <u>4,769</u>	\$ <u>82</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 THREE MONTH PERIOD ENDED JULY 31, 2017

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 July 31, 2017 the Company has a working capital deficiency in the amount of \$198,064 (April 30, 2017 - \$190,822).

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. In order to meet its corporate, administrative and property obligations for the coming year the Company will be required to raise funds through a debt or equity financing. Although the Company has been successful in raising funds in prior years through equity and debt financings there is no certainty that the Company will be successful in the future.

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 for the three months ended July 31, 2017 including comparative figures, have been prepared 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, 2018

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, 2017 year end 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, 2017 or later periods. Updates that are not applicable or immaterial to the Company have been excluded.

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

IFRS 9, Financial instruments, introduces new requirements for the classification, measurement and derecognition of financial instruments. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

UNAUDITED

(Expressed in Canadian Dollars)

3. Capital Management:

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 only 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.

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.

4. Investments:

The Company had investments in AurCrest Gold Inc.

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

The fair market value of its investment as at July 31, 2017 is approximately \$720. These available for sale financial instruments have been adjusted to fair market value.

5. 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 shares-based payments were made in the current quarter.

The outstanding stock options at the end of the period is as noted below:

	Number of options	Wtd Avge exc. price
At April 30, 2017	250,000	\$ 0.14

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

Exercise price	Number of options	Remaining contractual life in years
\$0.14	<u>400,000</u>	<u>1.55</u>

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2017

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Warrants:

The Company has no common share purchase warrants outstanding at July 31, 2017.

6. Related party transactions and balances:

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

Related Party	Item	Three months ended July 31	
		2017	2016
Director	Professional fees charged to statement of loss	\$ 1,665	\$ 921
	Temporary non-interest bearing, unsecured demand loans from directors and related parties	8,424	25,005
	Amount included in accounts payables related to legal fees owing to firm in which a director is a partner.	1,665	104,032
Key Management Personnel	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.

7. Supplemental cash flow information:

Net change in non-cash working capital:

	July 31, <u>2017</u>	July 31, <u>2016</u>
H.S.T receivable	\$ (195)	\$ (195)
Accounts payable and accrued liabilities	<u>(2,889)</u>	<u>1,645</u>
	<u>\$ (3,084)</u>	<u>\$ 1,450</u>

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8. Short term loan payable

During fiscal 2016 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. Interest in the amount of \$5,615 has been accrued for this loan and is included in accounts payable and accrued liabilities.

During fiscal 2017 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 is due on demand. Interest in the amount of \$2,182 has been accrued for this loan and is included in accounts payable and accrued liabilities.

During fiscal 2017 the Company received a further loan in the amount of \$10,225 from an unrelated party. The loan is unsecured, interest bearing at 1.25% per month (15% annually) and is due on demand. Interest in the amount of \$819 has been accrued for this loan and is included in accounts payable and accrued liabilities.

During the current quarter the Company received a further loan in the amount of \$7,300 from an unrelated party. The loan is unsecured, interest bearing at 1.25% per month (15% annually) and is due on demand. Interest in the amount of \$496 has been accrued for this loan and is included in accounts payable and accrued liabilities.

Total interest expense for the year on the loans noted above amounted to \$1,747.