

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2018 AND 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 and nine months ended January 31, 2018 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, 2018	April 30, 2017
ASSETS		
Current:		
Cash	\$ 412,606	\$ 7,795
H.S.T. receivable	<u>4,985</u>	<u>4,216</u>
	<u>417,591</u>	<u>12,011</u>
Non-current assets:		
Investments	<u>541</u>	<u>720</u>
	<u>\$ 418,132</u>	<u>\$ 12,731</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	\$ 117,314	\$ 146,963
Short term loan payable (Note10)	<u>74,170</u>	<u>55,870</u>
	<u>191,484</u>	<u>202,833</u>
EQUITY (DEFICIENCY)		
Common Shares (Note 6)	1,637,969	1,175,769
Contributed surplus	138,250	138,250
Deficit	(1,582,849)	(1,537,578)
Accumulated other comprehensive income	<u>(26,461)</u>	<u>(26,282)</u>
Equity (Deficiency) attributable to owners of the Company	166,909	(249,841)
Non-controlling interests	<u>59,739</u>	<u>59,739</u>
Total Equity (Deficiency)	<u>226,648</u>	<u>(190,102)</u>
	<u>\$ 418,132</u>	<u>\$ 12,731</u>

Approved on behalf of the board on March 29, 2018:

"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, 2018 AND 2017

UNAUDITED

(Expressed in Canadian Dollars)

	Three months ended January 31		Nine months ended January 31	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Expenses:				
General administration	1,992	2,991	\$ 7,163	\$ 9,981
Professional fees (Note 8)	24,475	2,422	31,702	3,343
Interest on short term loans (Note 10)	<u>2,354</u>	<u>-</u>	<u>6,406</u>	<u>-</u>
	<u>28,821</u>	<u>5,413</u>	<u>45,271</u>	<u>13,324</u>
Loss and comprehensive loss for the period	<u>\$ (28,821)</u>	<u>\$ (5,413)</u>	<u>\$ (45,271)</u>	<u>\$ (13,324)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ -</u>	<u>\$ (0.02)</u>	<u>\$ -</u>
Weighted average number of shares outstanding - basic and diluted	<u>2,266,548</u>	<u>10,061,508</u>	<u>2,266,548</u>	<u>10,061,508</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, 2018 AND 2017

UNAUDITED
(Expressed in Canadian Dollars)

	Common # Shares	Shares \$ Amount	Contributed Surplus	Accumulated Comp. loss	Deficit	Total Shareholders Equity
Balance April 30, 2016	10,058,768	\$ 1,155,769	\$ 138,250	\$ (26,282)	\$ (1,508,598)	\$ (240,861)
Common shares issued for cash	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)
Net loss balance of year	-	-	-	179	(15,656)	(15,477)
Balance April 30, 2017	11,058,768	1,175,769	138,250	(26,282)	(1,537,578)	(249,841)
Private placement financing	25,000,000	500,000	-	-	-	500,000
Share issue costs		(37,800)	-	-	-	(37,800)
Consolidation 5:1	(28,847,014)		-	-	-	
Net loss for the period	-	-	-	(179)	(45,271)	(45,450)
Balance January 31, 2018	7,211,754	\$ 1,637,969	\$ 138,250	\$ (26,461)	\$(1,582,849)	\$ 166,909

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, 2018 AND 2017

UNAUDITED

(Expressed in Canadian Dollars)

	<u>2018</u>	<u>2017</u>
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the period	\$ (45,271)	\$ (13,324)
Items not requiring an outlay of cash:		
Net change in non-cash working capital balances related to operations (<i>Note 9</i>)	<u>(30,418)</u> <u>(75,689)</u>	<u>(19,334)</u> <u>(32,658)</u>
Financing:		
Short term demand loans from related parties	18,300	26,958
Capital stock issued for cash (net of costs)	<u>462,200</u>	<u>20,000</u>
	<u>480,500</u>	<u>46,958</u>
Net change in cash during the period	404,811	14,300
Cash, beginning of period	<u>7,795</u>	<u>1,967</u>
Cash, end of period	\$ <u>412,606</u>	\$ <u>16,267</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, 2018 AND 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 January 31, 2018 the Company had a working capital in the amount of \$226,107. (April 30, 2017 - \$190,822 deficiency).

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 has adequate funds to meet its corporate and administrative obligations for the following year.

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, 2018, 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, 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 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, 2018 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, 2018 AND 2017

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3. Exploration and evaluation assets:

During the 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,	April 30,
	<u>2018</u>	<u>2017</u>
18,000 shares of Aurcrest Gold Inc.	\$ <u>540</u>	\$ <u>720</u>

The fair market value of its investment as at January 31, 2018 is approximately \$540 (2017 - \$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 non-brokered private placement and raised \$500,000 (the "Working Capital Financing"). The Company placed 25,000,000 pre-consolidated working capital units ("WC Units") at a price of \$0.02 per WC Unit. The Company incurred finder's fees of \$37,800 on this Working Capital Financing. Each WC Unit consist of 1 common share and one-fifth (1/5) of a common share purchase warrant. Each full common share purchase warrant entitles the holder to purchase one post-consolidated common share at a price of \$0.15 per WC Warrant Share until December 8, 2019. All securities are subject to a four month hold period expiring April 9, 2018.

The Company's shareholders approved a share consolidation on the basis of one (1) post-consolidated common share for up to ten (10) pre-consolidated common shares at the discretion of the Board of Directors at the annual general and special meeting held on November 24, 2015. The Board of Directors has fixed the consolidation ratio at one (1) post-consolidated common share for five (5) pre-consolidated common shares as part of the Working Capital Financing of the Company. The consolidation was affected on December 8, 2017.

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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, 2017 and nine months ended January 31, 2018 are as follows:

	Number of options	Wtd Avege ex. price
As at April 30, 2017	250,000	\$ 0.14
Expired	(100,000)	\$ 0.14
Consolidation 5 :1	(120,000)	\$ 0.14
As at January 31, 2018	30,000	\$ 0.70

The following table summarizes information about options outstanding at January 31, 2018:

	Number of options	Remaining contractual life in years
Exercise price		
\$0.70	30,000	1.05

Warrants:

The following table summarizes information about common share purchase warrants outstanding at January 31, 2017 and January 31, 2018:

	Warrants outstanding and exercisable	Weighted average exercise price
Outstanding as at January 31, 2017 and April 30, 2017	-	\$ -
Issued	5,000,000	\$ 0.15
Outstanding as at January 31, 2018	5,000,000	\$ 0.15

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8. Related party transactions and balances:

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

Related Party	Item	Nine months ended January 31	
		2018	2017
Director	Legal fees charged to statement of loss	\$ 26,702	\$ 3,343
	Amounts included in accounts payable related to above noted fees	\$ -	\$ 97,296
	Temporary non-interest bearing, unsecured demand loans from directors and related parties	\$ -	\$ 22,005
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.

A director of the Company subscribed for 1,000,000 WC Units for \$20,000.

9. Supplemental cash flow information:

Net change in non-cash working capital:	Jan 31	Jan 31
	<u>2018</u>	<u>2017</u>
H.S.T receivable	\$ (769)	\$ (3)
Accounts payable and accrued liabilities	<u>(29,649)</u>	<u>(19,331)</u>
	<u>\$ (30,418)</u>	<u>\$ (19,334)</u>

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.

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).

Also in the previous quarter ended the Company received loans in the amount of \$10,225 from an unrelated parties. The loan is unsecured, interest bearing at 1.25% per month (15% annually).

During the current six month period the Company received additional loans in the amount of \$18,300 from an unrelated party. The loans are unsecured, interest bearing at 1.25% per month (15% annually) and due on demand.