

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIOD ENDED OCTOBER 31, 2018
(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, 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.
(Incorporated under the Laws of the Province of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

UNAUDITED
(Expressed in Canadian Dollars)

	Oct 31, 2018	April 30, 2018
ASSETS		
Current:		
Cash	\$ 159,771	\$ 283,252
H.S.T. receivable	<u>4,086</u>	<u>8,507</u>
	<u>163,857</u>	<u>291,759</u>
Non-current assets:		
Investment <i>(Note 4)</i>	<u>540</u>	<u>541</u>
	<u>\$ 164,397</u>	<u>\$ 292,300</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities <i>(Note 6)</i>	\$ 20,054	\$ 32,026
Short-term loans payable <i>(Note 8)</i>	<u>-</u>	<u>79,980</u>
	<u>20,054</u>	<u>112,006</u>
SHAREHOLDERS' EQUITY		
Common Shares	1,637,969	1,637,969
Contributed Surplus	138,250	138,250
Deficit	(1,665,154)	(1,629,203)
Accumulated other comprehensive loss	<u>(26,461)</u>	<u>(26,461)</u>
Equity attributable to owners of the Company	84,604	120,555
Non-controlling interest	<u>59,739</u>	<u>59,739</u>
Total Equity	<u>144,343</u>	<u>180,294</u>
	<u>\$ 164,397</u>	<u>\$ 292,300</u>

Approved on behalf of the board on December 18, 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 STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE AND SIX MONTH PERIOD ENDED OCTOBER 31, 2018

UNAUDITED
(Expressed in Canadian Dollars)

	Three months ended October 31		Six months ended October 31	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Expenses:				
General administration	\$ 5,034	\$ 3,341	\$ 9,790	\$ 5,171
Interest on short term loans	944	2,305	3,508	4,052
Professional fees <i>(Note 6)</i>	<u>12,866</u>	<u>3,562</u>	<u>22,653</u>	<u>7,227</u>
Net loss for the period before undernoted items	<u>(18,844)</u>	<u>(9,208)</u>	<u>(35,951)</u>	<u>(16,450)</u>
Other comprehensive income, net of tax:				
Change in unrealized gains and losses on available-for-sale financial assets	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>(269)</u>
Comprehensive loss for the period	<u>\$ (18,844)</u>	<u>\$ (9,477)</u>	<u>\$ (35,951)</u>	<u>\$ (16,719)</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>7,211,754</u>	<u>11,058,768</u>	<u>7,211,754</u>	<u>11,058,768</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, 2018

UNAUDITED
(Expressed in Canadian Dollars)

	Common Shares		Warrants	Equity component of		Deficit	Total Shareholders Equity (Deficiency)
	# Shares	\$ Amount		Share-based payments	Accumulated Comp. loss		
Balance April 30, 2017	11,058,768	\$ 1,175,769	\$ -	\$ 138,250	\$ (26,282)	\$ (1,537,578)	\$ (249,841)
Net loss and comprehensive loss for the period	-	-	-	-	(269)	(16,450)	(16,719)
Balance October 31, 2017	11,058,768	1,175,769	-	138,250	(26,551)	(1,554,028)	(266,560)
Common shares issued for cash	5,000,000	462,200	-	-	-	-	462,200
Share consolidation	(8,847,014)	-	-	-	-	-	-
Net loss for the period	-	-	-	-	90	(75,175)	(75,085)
Balance April 30, 2018	7,211,754	1,637,969	-	138,250	(26,461)	(1,629,203)	120,555
Net loss and comprehensive loss for the period	-	-	-	-	-	(35,951)	(35,951)
Balance October 31, 2018	7,211,754	\$ 1,637,969	\$ -	\$ 138,250	\$ (26,461)	\$ (1,665,154)	\$ 84,604

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 AND SIX MONTH PERIODS ENDED OCTOBER 31, 2018

UNAUDITED
(Expressed in Canadian Dollars)

	Six months ended October 31	
	<u>2018</u>	<u>2017</u>
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the period	\$ (35,951)	\$ (16,450)
Net change in non-cash working capital balances related to operations (<i>Note 7</i>)	<u>(7,550)</u>	<u>(4,613)</u>
	<u>(43,501)</u>	<u>(21,063)</u>
Financing		
Short-term loan (<i>Note 8</i>)	<u>(79,980)</u>	<u>18,300</u>
Net change in cash during the period	(123,481)	(2,763)
Cash, beginning of period	<u>283,252</u>	<u>7,795</u>
Cash, end of period	<u>\$ 159,771</u>	<u>\$ 5,032</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 AND SIX MONTH PERIODS ENDED OCTOBER 31, 2018

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, 2018 the Company had working capital in the amount of \$143,803 (April 30, 2018 - \$179,753).

These unaudited condensed consolidated 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 operations, adverse conditions could cast doubt upon the validity of this assumption. In order to meet its corporate and administrative obligations for the coming year the Company will be required to raise funds through debt or equity financing's. Although the Company has been successful in raising funds in prior years through debt and equity financing's, 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. These adjustments could be material.

2. Significant accounting policies:

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared for the six months ended October 31, 2018, 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, 2019.

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, 2018 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, 2019 or later periods. There are currently no new standards that are expected to have a material impact on the Company in the current year.

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIODS ENDED OCTOBER 31, 2018

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. Investment:

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

	October 31, <u>2018</u>	April 30, <u>2018</u>
18,000 shares of Aurcrest Gold Inc.	\$ <u>540</u>	\$ <u>540</u>

The fair market value of its investment as at October 31, 2018 is approximately \$540. These fair value through other comprehensive income ("FVTOCI") 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 share based payments were made in the current quarter.

The change in stock options the six months ended October 31, 2018 are as follows:

	Number of options	Wtd Avge exc. price
At April 30, 2018 and October 31, 2018	<u>30,000</u>	\$ <u>0.70</u>

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

Exercise price	Number of options	Remaining contractual life in years
\$0.70	<u>30,000</u>	<u>0.30</u>

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIODS ENDED OCTOBER 31, 2018

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<u>Warrants:</u>	<u>Number of warrants</u>	<u>Exer price</u>
Outstanding at October 31, 2018 and April 30, 2018	5,000,000	0.15

The following table summarizes information about the warrants outstanding at October 31, 2018

<u>Weighted. avge. Exercise Price</u>	<u>Warrants outstanding and exercisable</u>	<u>Whtd. avge. remaining contractual life in years</u>
\$ 0.15	5,000,000	1.10

6. Related party transactions and balances:

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

<u>Related Party</u>	<u>Item</u>	<u>Six months ended October 31</u>	
		<u>2018</u>	<u>2017</u>
Director	Professional fees charged to statement of loss	\$ 18,230	\$ 3,165
	Amounts included in accounts payable related to above noted fees	-	3,165
	Temporary non-interest bearing, unsecured demand loans from directors and related parties	-	19,275
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:

	<u>Oct 31 2018</u>	<u>Oct 31 2017</u>
H.S.T receivable	\$ 4,421	\$ 2,699
Accounts payable and accrued liabilities	(11,971)	(7,312)
	<u>\$ (7,550)</u>	<u>\$ (4,613)</u>

RAZORE ROCK RESOURCES INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIODS ENDED OCTOBER 31, 2018

UNAUDITED

(Expressed in Canadian Dollars)

8. Short-term loans payable:

During prior years the Company received loans totaling \$36,455 from an unrelated party. The loans were unsecured, interest bearing at 10% per annum and due on demand. The Company had accrued interest on these loans in the amount of \$9,498. The principal portion of the loans were repaid in the current quarter.

During prior years the Company received loans totaling \$33,300 from an unrelated party. The loan were unsecured, interest bearing at 1.25% per month (15% annually) and due on demand Interest in the amount of \$7,509 has been accrued for these loans. These loans were repaid in full in the current quarter.

During a prior year the Company received a further loan in the amount of \$10,225 from an unrelated party. The loan was unsecured, interest bearing at 1.25% per month (15% annually) and due on demand. Interest expense of \$2,483 has been accrued for this loan. The principal portion of this loan was repaid in the current quarter.

Total interest expense on these loans for the six months ended October 31, 2018 totaled \$3,508 and is included in the statement of loss and comprehensive loss,