

RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2020 AND 2019
(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, 2020 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)

	July 31, 2020	April 30, 2020
ASSETS		
Current:		
Cash	\$ 18,345	\$ 31,093
H.S.T. receivable	<u>9,096</u>	<u>8,565</u>
	<u>27,441</u>	<u>39,658</u>
Non-current assets:		
Exploration and evaluation assets <i>(Note 5)</i>	66,932	66,932
Investments <i>(Note 4)</i>	<u>901</u>	<u>901</u>
	<u>67,833</u>	<u>67,833</u>
	<u>\$ 95,274</u>	<u>\$ 107,491</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities <i>(Note 7)</i>	<u>\$ 10,089</u>	<u>\$ 16,589</u>
EQUITY (DEFICIENCY)		
Common Shares <i>(Note 6)</i>	1,654,969	1,654,969
Contributed surplus	138,250	138,250
Deficit	(1,741,672)	(1,735,955)
Accumulated other comprehensive income	<u>(26,101)</u>	<u>(26,101)</u>
Equity attributable to owners of the Company	25,446	31,163
Non-controlling interests	<u>59,739</u>	<u>59,739</u>
Total Equity	<u>85,185</u>	<u>90,902</u>
	<u>\$ 95,274</u>	<u>\$ 107,491</u>

Approved on behalf of the board on September 29, 2020:

"William R. Johnstone"
William R. Johnstone, director

"Ken Ralfs"
Ken Ralfs, 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 MONTHS ENDED JULY 31, 2020 AND 2019

UNAUDITED
(Expressed in Canadian Dollars)

	Three months ended July 31	
	<u>2020</u>	<u>2019</u>
Expenses:		
General administration	-	-
Professional fees (Note 7)	\$ 2,386	\$ 2,117
	<u>3,331</u>	<u>7,346</u>
Loss and comprehensive loss for the period	\$ <u>(5,717)</u>	\$ <u>(9,463)</u>
Net loss per share - basic and diluted	\$ <u>-</u>	\$ <u>-</u>
Weighted average number of shares outstanding - basic and diluted	<u>7,411,754</u>	<u>7,211,754</u>

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RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE THREE MONTHS ENDED JULY 31, 2020 AND 2019

UNAUDITED
(Expressed in Canadian Dollars)

	Common # Shares	Shares \$ Amount	Contributed Surplus	Accumulated Comp. loss	Deficit	Total Shareholders Equity
Balance April 30, 2019	7,211,754	\$ 1,637,969	\$ 138,250	\$ (26,461)	\$ (1,679,946)	\$ 69,812
Net loss for the period	-	-	-	-	(9,463)	(9,463)
Balance July 31, 2019	7,211,754	1,637,969	138,250	(26,461)	(1,689,409)	60,349
Issuance of shares for property	200,000	17,000	-	-	-	17,000
Net loss balance of year	-	-	-	360	(46,546)	(46,186)
Balance April 30, 2020	7,411,754	1,654,969	138,250	(26,101)	(1,735,955)	31,163
Net income (loss) for the period	-	-	-	-	(5,717)	(5,717)
Balance July 31, 2020	7,411,754	\$ 1,654,969	\$ 138,250	\$ (26,101)	\$ (1,741,672)	\$ 25,446

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RAZORE ROCK RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED JULY 31, 2020 AND 2019

UNAUDITED

(Expressed in Canadian Dollars)

	<u>2020</u>	<u>2019</u>
Cash was provided by (used in) the following activities:		
Operations:		
Net loss for the period	\$ (5,717)	\$ (9,463)
Items not requiring an outlay of cash:		
Net change in non-cash working capital balances related to operations (<i>Note 8</i>)	<u>(7,031)</u> <u>(12,748)</u>	<u>(12,112)</u> <u>(21,575)</u>
Net change in cash during the period	(12,748)	(21,575)
Cash, beginning of period	<u>31,093</u>	<u>149,630</u>
Cash, end of period	<u>\$ 18,345</u>	<u>\$ 128,055</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 MONTHS ENDED JULY 31, 2020 AND 2019

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, 2020 the Company had working capital in the amount of \$17,352. (April 30, 2020 - \$23,069).

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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak which has continued to spread and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. Currently there is no impact on the Company.

2. Significant accounting policies:

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared for the three months ended July 31, 2020, 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, 2021.

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, 2020 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, 2020 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

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3. Capital Management:

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risks characteristic of the underlying resource assets. As a junior resource exploration company, the Company considers its capital structure to comprised 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 has investments in Aurcrest Gold Inc. as follows:

	July 31, <u>2020</u>	April 30, <u>2020</u>
18,000 shares of Aurcrest Gold Inc.	\$ <u>901</u>	\$ <u>901</u>

The fair market value of its investment as at July 31, 2020 is approximately \$901. These fair value through other comprehensive income ("FVTOCI") financial instruments have been adjusted to fair market value.

5. Exploration and evaluation assets

On October 9, 2019 the Company entered into an option agreement with True North Gems Inc. ("True North") to earn up to 70% working interest in the True Blue Property ("Property") in the Yukon Territory. The True Blue Property consists of 68 mining claims in the Ketzta-Seagull district of the Southern Yukon in the Watson Lake Mining District comprising 13.3 square kilometres. The Company can earn a 70% interest in the Property by incurring expenditures in the aggregate amount of \$300,000 over three years and issuing an aggregate of 600,000 common shares with 200,000 shares to be issued on closing (issued), a further 200,000 shares on or before November 30, 2020 and a further 200,000 shares on or before November 30, 2021. True North undertook an exploration program on a group of claims that includes the Property and the Company agreed to reimburse True North for its pro-rata share of the costs of the exploration program. The field program of prospecting and remote sensing by True North Gems Inc. on the Company's True Blue property has been completed. The Company's share of expenses relating to the exploration program was \$49,932.

If the Company earn its 70% interest, the parties will form a joint venture and contribute pro-rata to the further exploration and development of the Property. If a party is reduced to a 10% or less interest in the Property, that party's interest will be reduced to a 2% net smelter returns royalty with the right of the remaining party to acquire a 1% net smelter returns royalty at any time for the payment of \$1,000,000

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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 and no options are outstanding at the end of the quarter.

Warrants:

	Warrants outstanding and exercisable	Exercise price
Outstanding as at July 31, 2019 and July 31, 2020	<u>5,000,000</u>	<u>\$ 0.15</u>

The following table summarizes information about the warrants outstanding at July 31, 2020

Weighted. avge. Exercise Price		Whtd. avge. remaining contractual life in years
\$ 0.15	<u>5,000,000</u>	<u>1.33</u>

During the fiscal year ended April 30, 2020 the expiry date of the 5,000,000 warrants was extended for a further 2 years until December 8, 2021 at the same exercise price of \$0.15 per share,

7. Related party transactions and balances:

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

Related Party	Item	Three months ended July 31	
		2020	2019
Director	Legal fees charged to statement of loss	\$ 1,831	\$ 4,688
	Amounts included in accounts payable related to above noted fees	\$ -	\$ -
	Temporary non-interest bearing, unsecured demand loans from directors and related parties	\$ -	\$ -
Key Management Personnel	Salaries and fees charged to statement of loss	\$ -	\$ -
	Share-based payments charged to statement of loss	\$ -	\$ -

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7. Related party transactions and balances (Continued):

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:	July 31 <u>2020</u>	July 31 <u>2019</u>
H.S.T receivable	\$ (531)	\$ (890)
Accounts payable and accrued liabilities	<u>(6,500)</u>	<u>(11,222)</u>
	<u>\$ (7,031)</u>	<u>\$ (12,112)</u>