Railtown Capital Corp.

Condensed Interim Financial Statements

For the Nine Months ended June 30, 2014

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

RAILTOWN CAPITAL CORP.

Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		June 30, 2014		September 30, 2013
Assets				
Current assets				
Cash	**$**	**40,648**	$	39,801
Accounts receivable		**710**		-
	$	**41,358**	$	39,801
Liabilities and Shareholders' Equity (Deficiency)				
Current liabilities				
Trade payables and accrued liabilities	**$**	**52,160**	$	43,286
Shareholders' equity (deficiency)				
Share capital (Note 3)		**100,000**		90,000
Share based payment reserve		**29,832**		29,832
Deficit		**(140,634)**		(123,317)
		(10,802)		(3,485)
	$	**41,358**	$	39,801

Nature of operations (Note 1)

Approved on behalf of the Board on August 25, 2014:

"Ben Catalano"	*"Jason Moreau"*
Director	Director

See accompanying notes to the condensed interim financial statements.

RAILTOWN CAPITAL CORP.

Condensed Interim Statement of Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended June 30 2014	Three months ended June 30 2013	Nine months ended June 30 2014	Nine months ended June 30 2013
Expenses				
Bank charges	$ 18	$ 34	$ 96	$ 128
Filing fees	-	-	7,771	3,891
Professional fees	7,450	-	9,450	719
Net and comprehensive loss	$ (7,468)	$ (34)	$ (17,317)	$ (4,738)
Weighted average number of common shares outstanding – basic and diluted	5,000,000	-	4,663,014	-
Basic and diluted loss per common share	$ -	$ -	$ -	$ -

See accompanying notes to the condensed interim financial statements.

RAILTOWN CAPITAL CORP.
Condensed Interim Statement of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Nine months ended June 30, 2014	June 30, 2013
Operating activities:		
Net loss for the period	**$ (17,317)**	$ (4,738)
Changes in non-cash working capital items:		
Accounts receivable	**(710)**	-
Trade payables and accrued liabilities	**8,874**	-
Net cash used in operating activities	**(9,153)**	(4,738)
Financing activities:		-
Shares issued, private placement	**10,000**	-
Net cash provided by financing activities	**10,000**	-
Change in cash	**847**	(4,738)
Cash, beginning of the period	**39,801**	22,260
Cash, end of period	**$ 40,648**	$ 17,522

See accompanying notes to the condensed interim financial statements.

RAILTOWN CAPITAL CORP.
Condensed Interim Statements of Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share capital								
	Shares		**Amount**		**Share based reserve**		**Deficit**		**Total**
Balance, September 30, 2012	**4,500,000**	**$**	**90,000**	**$**	**29,832**	**$**	**(103,322)**	**$**	**16,510**
Net and comprehensive loss	-		-		-		(4,738)		(4,738)
Balance, June 30, 2013	**4,500,000**		**90,000**		**29,832**		**(108,060)**		**11,772**
Net and comprehensive loss	-		-		-		(15,257)		(15,257)
Balance, September 30, 2013	**4,500,000**		**90,000**		**29,832**		**(123,317)**		**(3,485)**
Private placement, shares issued	500,000		10,000		-		-		10,000
Net and comprehensive loss	-		-		-		(17,317)		(17,317)
Balance, June 30, 2014	**5,000,000**	**$**	**100,000**	**$**	**29,832**	**$**	**(140,634)**	**$**	**(10,802)**

See accompanying notes to the condensed interim financial statements.

1. Nature of operations

Railtown Capital Corp. (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on May 11, 2011.

The head office, principal address and the registered and records office of the Company are located at 108 – 329 Main Street, Vancouver, British Columbia, Canada.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2014, the Company is not able to finance day to day activities through operations. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of presentation

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"), consistent with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

These unaudited condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with Company's annual financial statements for the year ended September 30, 2013.

Basis of preparation

The unaudited condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The unaudited condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of the condensed interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets.

2. Significant accounting policies and basis of presentation (continued)

Significant judgments

The preparation of the condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Recent accounting pronouncement – Not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard has a tentative effective date of January 1, 2018.

3. Share capital

Authorized

Unlimited number of common shares without par value.

Shares issued

During the period ended June 30, 2014, the Company issued 500,000 common shares for gross proceeds of $10,000.

Escrow

Pursuant to an escrow agreement, all of the 4,500,000 common shares issued are held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow on the date of the issuance of the final Exchange bulletin (the "Initial Release") upon completion of the IPO, and an additional 15% will be released every six months following the Initial Release over a period of thirty six months.

Stock options

At June 30, 2014, 400,000 stock options were outstanding with an exercise price of $0.10 and an expiry date of September 27, 2016.

4. Financial instruments

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank three is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

5. Capital disclosure

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the period ended June 30, 2014.