Financial Statements of

# RED ROCK CAPITAL CORP.

Interim Condensed Financial Statements

For the three and nine months ended September 30, 2015

Expressed in Canadian Dollars

(Unaudited)

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.

# RED ROCK CAPITAL CORP.

Statement of Financial Position

As at September 30, 2015 and December 31, 2014
(In Canadian Dollars)

| | | September 30, 2015 | | December 31, 2014 |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Cash | $ | 518,250 | $ | 557,590 |
| Prepaid expenses | | 1,649 | | 1,572 |
| | | 519,899 | | 559,162 |
| | $ | 519,899 | $ | 559,162 |
| **Liabilities and Shareholders' Equity** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | $ | 26,715 | $ | 20,391 |
| | | 26,715 | | 20,391 |
| Shareholders' equity: | | | | |
| Share capital (note 4(b)) | | 745,170 | | 745,170 |
| Warrants (note 4(d)) | | 13,127 | | 13,127 |
| Contributed surplus | | 34,994 | | 34,994 |
| Deficit | | (300,107) | | (254,520) |
| | | 493,184 | | 538,771 |
| | $ | 519,899 | $ | 559,162 |

Nature and continuance of operations (note 1)

The accompanying notes are an integral part of these financial statements.

# RED ROCK CAPITAL CORP.

Statements of Operations and Comprehensive Loss

Three and nine months ended September 30, 2015 and 2014
(In Canadian Dollars)

| | Three months ended September 30, | | Nine months end September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Expenses: | | | | |
| Consulting fees | $ 1,995 | $ 1,800 | $ 5,880 | $ 5,400 |
| Office and miscellaneous | 30 | 19 | 1,384 | 210 |
| Office rent | 4,945 | 4,717 | 14,805 | 13,548 |
| Professional fees | 1,335 | 3,277 | 9,909 | 16,445 |
| Transfer agent fees | 841 | 4,209 | 13,609 | 17,357 |
| | 9,146 | 14,022 | 45,587 | 52,960 |
| Net loss and comprehensive loss for the period | $ (9,146) | $ (14,022) | $ (45,587) | $ (52,960) |
| Loss and comprehensive loss per share (note 4(d)) | | | | |
| Basic and diluted | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.01) |

The accompanying notes are an integral part of these financial statements.

# RED ROCK CAPITAL CORP.

Statements of Changes in Shareholders' Equity

Nine months ended September 30, 2015 and 2014
(In Canadian Dollars)

| | Share capital | Share-based payment reserve | Warrant reserve | Deficit | Total |
|---|---|---|---|---|---|
| Balance, December 31, 2013 | $ 499,995 | $ 34,994 | $ 13,127 | $ (157,872) | $ 390,244 |
| Issuance of common shares | 250,000 | - | - | - | 250,000 |
| Net loss for the period | - | - | - | (52,960) | (52,960) |
| Balance, September 30, 2014 | 749,995 | 34,994 | 13,127 | (210,832) | 587,284 |
| Share issue costs | (4,825) | - | - | - | (4,825) |
| Net loss for the period | - | - | - | (4,751) | (4,751) |
| Balance, December 31, 2014 | 745,170 | 34,994 | 13,127 | (254,520) | 538,771 |
| Net loss for the period | - | - | - | (45,587) | (45,587) |
| Balance, September 30, 2015 | $ 745,170 | $ 34,994 | $ 13,127 | $ (300,107) | $ 493,184 |

The accompanying notes are an integral part of these financial statements.

# RED ROCK CAPITAL CORP.

Statements of Cash Flows

Three and nine months ended September 30, 2015 and 2014
(In Canadian Dollars)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Cash provided by (used in): | | | | |
| Operations: | | | | |
| Net loss from operations | $ (9,146) | $ (14,022) | $ (45,587) | $ (52,960) |
| Items not involving cash: | | | | |
| Stock based compensation | - | - | - | - |
| | (9,146) | (14,022) | (45,587) | (52,960) |
| Change in non-cash working capital (note 5) | 4,171 | (14,911) | 6,247 | 883 |
| Cash flows used in operations | (4,975) | (28,933) | (39,340) | (52,077) |
| Financing: | | | | |
| Share issuances, net of share issue costs | - | 250,000 | - | 250,000 |
| Cash flows from financing | - | 250,000 | - | 250,000 |
| Increase (decrease) in cash and cash equivalent | (4,975) | 221,067 | (39,340) | 221,067 |
| Cash and cash equivalents, beginning of period | 523,225 | 368,421 | 557,590 | 368,421 |
| Cash and cash equivalents, end of period | $ 518,250 | $ 589,488 | $ 518,250 | $ 589,488 |

The accompanying notes are an integral part of these financial statements.

## 1. Nature of Operations and Continuance of Operations

Red Rock Capital Corp. (the "Company") is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company commenced trading its common shares on the NEX board of the TSX-V on March 22, 2013, under the symbol "RCC.P.". The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on February 9, 2012.

The Company's head office and registered and records office address is Suite 1100-888 Dunsmuir street, Vancouver, BC, Canada, V6C 3K4.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company did not complete a qualifying transaction within the 24 months from listing on the TSX-V and is therefore subject to halt of trading and delisting from the TSX Venture Exchange. The Company's continuing operations are dependent upon its ability to identify evaluate and negotiate an agreement to acquire an interest in a material asset or business. These conditions may cause significant doubt as to the Company's ability to continue as a going concern.

## 2. Basis of Preparation and Statement of Compliance

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook").

These condensed financial statements for the three and nine months ended September 30, 2015, are prepared in accordance with International Accounting Standard 34 *Interim Financial* Reporting ("IAS 34"). The condensed financial statements do not include all the information required for annual financial statements. These interim financial statements should be read in conjunction with the Company's December 31, 2014 annual audited financial statements.

The Company's Board of Directors approved these condensed interim financial statements on November 25, 2015.

(all amounts are expressed in Canadian dollars)

### 3. Significant Accounting Policies, Judgments and Estimates

The significant accounting policies used in the preparation of these condensed financial statements has been applied consistently for all periods presented and are unchanged from the policies disclosed in the notes to the financial statements for the year ended December 31, 2014.

The use of judgments and estimates used in the preparation of these condensed financial statements has been applied consistently for all periods presented and are unchanged from the judgments and estimates disclosed in the notes to the financial statements for the year ended December 31, 2014.

### 4. Share Capital and Reserves

(a) Authorized:

Unlimited number of common shares without nominal or par value

(b) Issued:

Share capital:

| | Number | | Amount |
|---|---|---|---|
| Common shares | | | |
| Balance, December 31, 2013 | 6,700,000 | $ | 499,995 |
| Issuance of common shares | 5,000,000 | | 250,000 |
| Share issuance costs | - | | (4,825) |
| Balance, September 30, 2015 and December 31, 2014 | 11,700,000 | $ | 745,170 |

On September 19, 2014, the Company issued 5,000,000 common shares pursuant to a non-brokered private placement at a price of $0.05 per common share for total proceeds of $250,000. The Company incurred share issue costs of $4,825 in connection with this financing.

(c) Stock options

The Company has an employee stock option plan under which employees, directors and key consultants are eligible to receive grants. Under the stock option plan, the granted stock options are exercisable over periods of up to ten years as determined by the Company's Board of Directors. The maximum number of outstanding stock options under the plan is limited to 10% of the number of common shares outstanding. The number of stock options, the vesting periods, and the exercise price is set by the Company's Board of Directors based on the market value at the time of granting. Stock options issued and outstanding are as follows:

(all amounts are expressed in Canadian dollars)

## 4. Share Capital and Reserves *(continued)*

| | September 30, 2015 | | December 31, 2014 | |
|---|---|---|---|---|
| | Number | Weighted average exercise price | Number | Weighted average exercise price |
| Balance, opening | 470,000 | $ 0.10 | 470,000 | $ 0.10 |
| Granted | - | - | - | - |
| Balance, ending | 470,000 | $ 0.10 | 470,000 | $ 0.10 |

Details of the stock options outstanding at September 30, 2015 are as follows:

| Exercise Price | Number of Options Outstanding | Number of Options Vested | Number of Options Unvested | Weighted Average Remaining Life |
|---|---|---|---|---|
| $0.10 | 470,000 | 470,000 | - | 2.47 |
| Total | 470,000 | 470,000 | - | 2.47 |

(d) Warrants

| | September 30, 2015 | | December 31, 2014 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Balance, opening | 250,000 | $ 13,127 | 250,000 | $ 13,127 |
| Expired | (250,000) | - | - | - |
| Balance, ending | - | $ - | 250,000 | $ 13,127 |

(d) Loss per share

The weighted average number of shares outstanding for purposes of calculating basic loss per share for the three and nine months at September 30, 2015 was 11,700,000 (2014 – 6,700,000).

For the fully diluted loss per share calculation as of September 30, 2015, nil (2014 – nil) shares were added to the weighted average number of common shares outstanding during the three and nine months for the dilutive effects of exercisable stock options.

## 5. Change in Non-Cash Working Capital

| | Three months ended September 30, 2015 | Three months ended September 30, 2014 | Nine months ended September 30, 2015 | Nine months ended September 30, 2014 |
|---|---|---|---|---|
| Accounts receivable | $ - | $ (1,898) | $ - | $ (2,398) |
| Prepaid expenses | - | (2) | (77) | (200) |
| Accounts payable and accrued liabilities | 4,171 | 16,052 | 6,324 | 18,391 |
| | $ 4,171 | $ 14,152 | $ 6,247 | $ 15,793 |

(all amounts are expressed in Canadian dollars)

## 5. Change in Non-Cash Working Capital *(continued)*

The following cash payments have been made for the three and nine month periods ended September 30, 2015 and 2014:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Interest paid | $ - | $ - | $ - | $ - |
| Taxes paid | $ - | $ - | $ - | $ - |

## 6. Related Party Transactions

During the three and nine month period ended September 30, 2015, the Company paid $14,805 and $4,945 (2014 - $13,548 and $4,717) for rent to VC Holdings Inc. of which Andrew Cheshire is a shareholder. As at September 30, 2015, there are no amounts outstanding.

These transactions are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.