

**ROUGH RIDER EXPLORATION LIMITED  
(FORMERLY WESTHAM RESOURCES CORP.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**June 30, 2014**

**Expressed in Canadian dollars**

**(Unaudited)**

*Notice to Reader: As required by National Instrument 51-102 subsection 4.3(3)(a), readers are advised that an auditor has not performed a review of these condensed interim financial statements.*

**ROUGH RIDER EXPLORATION LIMITED**  
**(FORMERLY WESTHAM RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

*Canadian Dollars*

*Unaudited – Prepared by Management*

As at:	June 30, 2014	December 31, 2013
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 264,553	\$ 241,257
Receivables	8,329	7,035
Prepaid expenses	<u>4,315</u>	<u>-</u>
	<u>\$ 277,197</u>	<u>\$ 248,292</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	<u>\$ 60,517</u>	<u>\$ 11,522</u>
<b>Equity</b>		
Capital stock (Note 4)	290,375	290,375
Contributed surplus	6,000	6,000
Deficit	<u>(79,694)</u>	<u>(59,605)</u>
	<u>216,681</u>	<u>236,770</u>
	<u>\$ 277,198</u>	<u>\$ 248,292</u>

**Nature and continuance of operations** (Note 1)

**Related party transactions** (Note 5)

**Subsequent events** (Notes 1, 6)

**On behalf of the Board of Directors on August 22, 2014**

*Signed "Scott Gibson"*

Director

*Signed "Jay Sujir"*

Director

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

**ROUGH RIDER EXPLORATION LIMITED**  
**(FORMERLY WESTHAM RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
*Canadian Dollars*  
*Unaudited – Prepared by Management*

	For the three months ended		For the six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
<b>EXPENSES</b>				
Audit and accounting fees	1,996	4,063	3,908	5,975
Filing fees	12,451	3,041	16,181	6,422
<b>Loss and comprehensive loss for the period</b>	14,447	7,104	20,089	12,397
<b>Basic and diluted loss per common share</b>	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<b>Weighted average number of common shares outstanding (excluding escrowed shares)</b>	1,960,000	1,960,000	1,960,000	1,960,000

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

**ROUGH RIDER EXPLORATION LIMITED**  
**(FORMERLY WESTHAM RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

*Canadian Dollars*

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	Capital Stock		Other Equity Reserves	Deficit	Total Equity
	Number of Shares	Amount			
Balance, December 31, 2012	5,200,000	\$ 290,375	\$ 6,000	\$ (32,324)	\$ 264,051
Loss for the period	-	-	-	(12,397)	(12,397)
Balance, June 30, 2013	5,200,000	290,375	6,000	(44,721)	251,654
Loss for the period	-	-	-	(14,884)	(14,884)
Balance, December 31, 2013	5,200,000	290,375	6,000	(59,605)	236,770
Loss for the period	-	-	-	(20,089)	(20,089)
Balance, June 30, 2014	5,200,000	\$ 290,375	\$ 6,000	\$ (79,694)	\$ 216,681

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

**ROUGH RIDER EXPLORATION LIMITED**  
**(FORMERLY WESTHAM RESOURCES CORP.)**

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

*Canadian Dollars*

*Unaudited – Prepared by Management*

	For the three months ended		For the six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	\$ (14,447)	\$ (7,104)	\$ (20,089)	\$ (12,397)
Changes in non-cash working capital items:				
Decrease (increase) in receivables	(946)	(524)	(1,294)	(1,294)
Decrease (increase) in prepaid expenses	1,567	(428)	(4,315)	(4,328)
Increase (decrease) in accounts payable and accrued liabilities	<u>47,312</u>	<u>(4,451)</u>	<u>48,994</u>	<u>(1,675)</u>
Net cash provided by/(used in) operating activities	<u>33,486</u>	<u>(12,507)</u>	<u>23,296</u>	<u>(19,694)</u>
<b>Increase / (decrease) in cash for the period</b>	33,486	(12,507)	23,296	(19,694)
<b>Cash, beginning of period</b>	<u>231,067</u>	<u>257,421</u>	<u>241,257</u>	<u>264,608</u>
<b>Cash, end of period</b>	<u>\$ 264,553</u>	<u>\$ 244,914</u>	<u>\$ 264,553</u>	<u>\$ 244,914</u>
<b>Cash paid during the period for interest</b>	\$ -	\$ -	\$ -	\$ -
<b>Cash paid during the period for income taxes</b>	\$ -	\$ -	\$ -	\$ -

There were no significant non-cash transactions during the six month periods ended June 30, 2014 and June 30, 2013 that impacted cash flows from operating, investing or financing activities.

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

# **ROUGH RIDER EXPLORATION LIMITED**

## **(FORMERLY WESTHAM RESOURCES CORP.)**

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2014

*Canadian Dollars*

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Roughrider Exploration Limited (formerly Westham Resources Corp.) (“Roughrider” or the “Company”) was incorporated on December 7, 2011 under the *British Columbia Business Corporations Act*. As at June 30, 2014, Roughrider was a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. At that time, the Company’s sole business was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (also defined in TSX-V Policy 2.4). The Company completed its Qualifying Transaction subsequent to June 30, 2014 (Note 6). On completion of the Qualifying Transaction, the Company was listed on the TSX Venture Exchange as a Tier 2 Mining Issuer and changed its name from Westham Resources Corp. to Roughrider Exploration Limited. The principal business of the Company is now the exploration of the Genesis uranium project, located to the northeast of the Athabasca Basin in Saskatchewan.

The address of the Company’s head office is Suite 1518 – 800 West Pender Street, Vancouver, BC V6C 2V6. The address of the Company’s registered office is 1600 – 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

These condensed interim 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 condensed interim 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 has no source of revenue, has an accumulated deficit of \$79,694 at June 30, 2014, and expects to incur further losses in order to close the Qualifying Transaction and explore the Genesis project. All of these factors cast significant doubt upon the Company’s ability to continue as a going concern and, therefore suggest that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations are dependent upon its ability to obtain sufficient financing to explore the Genesis project, and on the successful exploration and development or sale of the Company’s exploration projects. Although the Company has been successful in obtaining seed financing, there is no assurance that it will be able to obtain adequate financing in the future, or that such financing will be on terms that are advantageous to the Company.

#### **2. BASIS OF PREPARATION**

These condensed interim financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS applicable to the preparation of interim financial statements, as issued by the International Accounting Standards Board and are consistent with interpretations made by the International Financial Reporting Interpretations Committee (“IFRIC”) which were effective as of August 22, 2014, the date the Board of Directors authorized these condensed interim financial statements for issuance. These condensed interim financial statements follow the same accounting policies and methods of computation as the audited annual financial statements for the year ended December 31, 2013, and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2013.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements. Actual results could differ from these estimates. Critical estimates and judgments are discussed more fully in the Company’s audited financial statements for the period ended December 31, 2013.

# **ROUGH RIDER EXPLORATION LIMITED**

## **(FORMERLY WESTHAM RESOURCES CORP.)**

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2014

Canadian Dollars

Unaudited – Prepared by Management

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### **3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements are expressed in Canadian dollars, the Company's functional and presentation currency, and have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accounting policies used in the preparation of these financial statements are consistent with those described in the Company's audited annual financial statements for the period ended December 31, 2013, except for the following item that reflects a change to IFRS:

*IAS 32, Financial Instruments: Presentation;* This standard has been amended to clarify requirements for offsetting financial assets and liabilities.

Adoption of the above amended accounting standard has had no material impact on the quarterly financial statements.

#### **Upcoming Changes in Accounting Standards**

*IFRS 7, Financial Instruments: Disclosures* requires additional disclosures on transition from IAS 39 and IFRS 9, and will be effective for the Company's year ended December 31, 2015.

*IFRS 9, Financial Instruments* introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, *IFRS 9* requires all recognized financial assets that are within the scope of *IAS 39 Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value, and will be effective for the Company's year ended December 31, 2018.

The Company is in the process of assessing the impact of the upcoming changes in accounting standards.

### **4. CAPITAL STOCK**

#### **Authorized**

Unlimited common shares with no par value and unlimited preferred shares with no par value.

#### **Issuances**

During the six month period ended June 30, 2014 no additional common shares were issued by the Company. Subsequent to June 30, 2014, a private placement financing was closed, resulting in the issuance of 12,528,454 common shares (Note 6.b).x

#### **Escrow**

As at June 30, 2014, the Company has 3,240,000 shares held in escrow. Under the escrow agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin following completion of the Qualifying Transaction (Note 1). Additional tranches of 15% will be released on each of the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release of 10%.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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**4. CAPITAL STOCK (CONTINUED)**

**Stock options**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall be determined by the directors but will in no event be less than the discount market price for the common shares. Stock options can be granted for a maximum term of 10 years and vest at the discretion of the board of directors.

No options have been granted as of June 30, 2014 (Note 6.c).

**Warrants**

There was no stock purchase warrant activity in 2013, nor in the 3 months ended June 30, 2014. Subsequent to June 30, 2014, in connection with a private placement, 469,980 finder's warrants were issued to certain arm's length parties (Note 6.b).

As at June 30, 2014, the outstanding stock purchase warrants were as follows:

Expiry Date	Exercise Price	Number of Warrants
September 24, 2014	\$0.10	140,000

The fair value of the warrants issued September 24, 2012 was calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

	September 24, 2012
Average risk-free interest rate	1.125%
Expected dividend yield	0.000%
Expected stock price volatility	62.5%
Average expected warrant life in years	2.0 years

Option and warrant pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants at the date of grant.

# **ROUGH RIDER EXPLORATION LIMITED**

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### **5. RELATED PARTY TRANSACTIONS**

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements.

a) **Key management personnel:**

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel received no remuneration for their services during the six month periods ended June 30, 2013 and 2014.

### **6. SUBSEQUENT EVENTS**

Subsequent to June 30, 2014, the following significant transactions occurred:

- a) On July 16, 2014, the company closed its Qualifying Transaction with Kivalliq Energy Corporation ("Kivalliq"), a British Columbia Company listed on the TSX Venture Exchange (TSXV: KIV). Roughrider and Kivalliq have entered into an option agreement under which Roughrider may earn up to an 85% interest in Kivalliq's "Genesis" uranium project (the "Genesis property").

The execution of the option agreement and the advance of initial consideration to Kivalliq thereunder served as the Company's Qualifying Transaction under the policies of the TSX Venture Exchange. As a result, on completion of the Qualifying Transaction, the Company was listed on the TSX Venture Exchange as a Tier 2 Mining Issuer and changed its name from Westham Resources Corp. to Roughrider Exploration Limited.

Under the terms of the option agreement, in order to earn the full 85% interest in the Genesis property the Company must complete \$5,000,000 in exploration expenditures, make \$1,000,000 in cash payments and issue to Kivalliq 3,939,656 common shares over a period of four years. In connection with the closing of the Qualifying Transaction, the Company made an initial cash payment of \$125,000 to Kivalliq and issued 1,969,828 common shares to Kivalliq.

- b) Concurrent with the closing of the Qualifying Transaction, the company also completed a private placement of 12,528,454 Units at \$0.22 per Unit for gross proceeds of \$2,756,260. Each unit was comprised of one common share and one-half of one non-transferrable warrant (a "Unit"), with each whole warrant (a "Warrant") entitling the holder to purchase one common share at a price of \$0.35 per share for a period of three years after the date of issuance. In addition the warrants have an accelerated expiry provision which may be triggered if Roughrider's shares trade above \$0.50 for 10 trading days. In addition, in connection with the closing of the private placement, Roughrider paid Financing fees totaling \$103,395.60 and issued an aggregate of 469,980 finder's warrants (the "Finder's Warrants") to certain arm's length parties. Each Finder's Warrant entitles the holder to purchase one common share at a price of \$0.22 per common share for a period of two (2) years after the closing of the Private Placement. The proceeds of the Private Placement will be used for exploration on the Genesis property and for general working capital purposes.
- c) 1,950,000 incentive stock options were granted to employees, consultants, officers and directors. These options are exercisable at \$0.22 until August 7, 2019.