RESAAS SERVICES INC.

Interim Consolidated Financial Statements

September 30, 2013

(Unaudited)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated 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.

RESAAS SERVICES INC.
Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2013 $	December 31, 2012 $
	(Unaudited)	(Audited)
Assets		
Current assets		
Cash and cash equivalents	4,167,150	4,951,507
Short term investments (Note 4)	508,477	505,844
Amounts receivable	43,833	106,803
Prepaid expenses	4,965	5,022
Due from related party (Note 8)	176,900	86,900
Total current assets	4,901,325	5,656,076
Property and equipment (Note 5)	10,566	3,952
Website development costs (Note 6)	1,104,772	1,867,825
Trademark (Note 7)	18,637	10,089
Total non-current assets	1,133,975	1,881,866
Total assets	6,035,300	7,537,942
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	94,488	63,055
Total liabilities	94,488	63,055
Shareholders' equity		
Common shares	11,215,281	10,016,840
Share-based payment reserve	4,562,984	2,646,285
Deficit	(9,837,453)	(5,188,238)
Total shareholders' equity	5,940,812	7,474,887
Total liabilities and shareholders' equity	6,035,300	7,537,942

Going concern (Note 2(c))
Commitments (Note 13)

Approved and authorized for issue by the Board of Directors on November 28, 2013:

/s/ "Cory Brandolini"
Cory Brandolini, Director

/s/ "Cam Shippit"
Cam Shippit, Director

(The accompanying notes are an integral part of these interim consolidated financial statements)

RESAAS SERVICES INC.
Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited - Prepared by Management)

	Nine Months Ended September 30, 2013 $	Nine Months Ended September 30, 2012 $	Three Months Ended September 30, 2013 $	Three Months Ended September 30, 2012 $
Revenue	–	–	–	–
Expenses				
Amortization	768,350	2,925	256,669	975
Consulting fees	64,643	204,233	30,643	59,462
Filing fees	29,814	28,682	5,151	5,933
Foreign exchange loss	12,150	5,011	7,669	2,597
General and administrative (Note 8)	1,162,852	244,433	446,694	84,816
Management fee (Notes 8)	229,725	165,154	99,308	60,846
Promotion and advertising	348,527	307,476	106,449	221,830
Professional fees	154,607	278,398	41,548	53,413
Stock based compensation (Note 11)	1,839,526	133,426	548,523	14,373
Travel	64,366	23,480	37,563	5,260
Total operating expenses	4,674,560	1,393,218	1,580,217	509,505
Net loss before other income	(4,674,560)	(1,393,218)	(1,580,217)	(509,505)
Other income				
Interest income	25,345	34,454	7,422	10,426
Net loss and comprehensive loss for the period	(4,649,215)	(1,358,764)	(1,572,795)	(499,079)
Basic and diluted loss per common share	(0.16)	(0.05)	(0.05)	(0.02)
Weighted average number of common shares outstanding	28,330,736	26,962,092	28,778,267	27,371,634

(The accompanying notes are an integral part of these interim consolidated financial statements)

RESAAS SERVICES INC.
Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Common Shares			Share-based		Total
	Number	Amount	Subscriptions Receivable	Payment Reserve	Deficit	Number
Balance, December 31, 2011	23,631,765	6,803,744	–	2,094,336	(3,271,013)	5,627,067
Issuance of common shares for cash	1,346,666	2,020,000	–	–	–	2,020,000
Issuance of common shares pursuant to the exercise of warrants at $0.50 per share	2,833,800	1,416,900	–	–	–	1,416,900
Issuance of common shares pursuant to the exercise of warrants at $0.25 per share	291,030	137,263	–	(64,505)	–	72,758
Share issuance costs	–	(365,903)	–	140,473	–	(225,430)
Fair value of stock options granted	–	–	–	446,474	–	446,474
Net loss	–	–	–	–	(1,358,764)	(1,358,764)
Balance, September 30, 2012	28,103,261	10,012,004	–	2,616,778	(4,629,777)	7,999,005
Balance, December 31, 2012	28,103,261	10,016,840	–	2,646,285	(5,188,238)	7,474,887
Issuance of common shares for cash	1,250,054	1,375,059	–	–	–	1,375,059
Share issuance costs	–	(176,618)	–	77,173	–	(99,445)
Fair value of stock options granted	–	–	–	1,839,526	–	1,839,526
Net loss	–	–	–	–	(4,649,215)	(4,649,215)
Balance, September 30, 2013	29,353,315	11,215,281	–	4,562,984	(9,837,453)	5,940,812

(The accompanying notes are an integral part of these interim consolidated financial statements)

RESAAS SERVICES INC.
Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Nine Months Ended September 30, 2013 $	Nine Months Ended September 30, 2012 $
Operating activities		
Net loss for the period	(4,649,215)	(1,358,764)
Items not affecting cash:		
Amortization	768,350	2,925
Stock-based compensation	1,839,526	133,426
Accrued interest on investments	–	4,044
Changes in non-cash operating working capital:		
Amounts receivable	62,970	(35,430)
Prepaid expenses	57	(17,301)
Accounts payable	31,433	31,218
Net cash used in operating activities	(1,946,879)	(1,239,882)
Investing activities		
Acquisition of trademark	(9,016)	–
Proceeds from redemption of short-term investments	505,844	–
Investment in short-term investments	(508,477)	–
Purchase of property and equipment	(11,443)	(3,290)
Website development costs	–	(490,773)
Net cash used in investing activities	(23,092)	(494,063)
Financing activities		
Proceeds from common shares issued	1,375,059	2,020,000
Share issuance costs	(99,445)	(225,430)
Loan to related party	(90,000)	(87,000)
Proceeds from the exercise of warrants	–	1,489,658
Investment in GIC	–	(2,028,843)
Net cash (used in) provided by financing activities	1,185,614	1,168,385
(Decrease) increase in cash and cash equivalents	(784,357)	3,954,008
Cash and cash equivalents, beginning of period	4,951,507	(565,560)
Cash and cash equivalents, end of period	4,167,150	3,388,448
Cash and Cash equivalents is comprised of:		
Amounts held in legal trust account	14,166	–
Cash in bank	2,093,844	3,388,448
Cashable guaranteed investment certificates	2,059,140	–
Non-cash investing and financing activities:		
Fair value of agent's option, units, and share purchase warrants recorded as share issuance costs	77,173	140,473
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these interim consolidated financial statements)

1. Corporate Information

RESAAS Services Inc. (the "Company") was incorporated on June 4, 2009 under the British Columbia Business Corporations Act. The Company is engaged in the development of web and mobile communications software for the real estate industry. During the year ended December 31, 2012, the Company incorporated a wholly-owned subsidiary, RESAAS USA, in the state of California, USA. Currently, RESAAS USA does not have any material assets, liabilities nor operations.

The Company's registered office is suite 303 – 55 Water Street, Vancouver, British Columbia, Canada, V6B 1A1.

2. Basis of Presentation

(a) Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

(b) Basis of Measurement

The interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of these interim consolidated 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 financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) the useful life and recoverability of long-lived assets;
ii) recovery of amounts receivable;
iii) the inputs used in the valuation of share-based payments; and
iv) future income tax asset valuation allowances.

(c) Going Concern of Operations

These interim consolidated financial statements have been prepared on the 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. As at September 30, 2013, the Company has not generated any revenues, and has an accumulated deficit of $9,837,453. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is pursuing equity financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

2. Basis of Presentation (continued)

(c) Going Concern of Operations (continued)

These interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

3. Recent Accounting Pronouncements

The Company adopted the following new standards, and amendments to standards and interpretations during the nine months ended September 30, 2013:

- Amendments to IAS 1 “Presentation of Financial Statements”
- New Standard IFRS 10, “Consolidated Financial Statements”
- New standard IFRS 11, “Joint Arrangements”
- New standard IFRS 12 “Disclosure of Interest in Other Entities”
- New standard IFRS 13, “Fair Value Measurement”
- Amendments to IAS 19, “Employee Benefits”

The adoption of these standards did not have a material effect on the Company’s financial statements.

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2014 or later periods. The following new standards, amendments and interpretations have not been early adopted in these condensed interim financial statements, and are not expected to have a material effect on the Company’s future results and financial position.

(i) Effective for annual periods beginning on or after January 1, 2015:

- *New IFRS 9, “Financial Instruments”*
- *Amendments to IFRS 7, “Financial Instruments: Disclosures”*

(ii) Effective for annual periods beginning on or after January 1, 2014:

- *Amendments to IFRS 10, “Consolidated Financial Statements”*
- *Amendments to IFRS 12, “Disclosures of Interests in Other Entities”*
- *Amendments to IFRS 27, “Separate Financial Statements”*
- *Amendments to IAS 32, “Financial Instruments: Presentation”*
- *Amendments to IAS 36, “Impairment of Assets”*
- *Amendments to IAS 39, “Financial Instruments: Recognition and Measurement”*

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

4. Short term Investments

As of September 30, 2013, the Company had $508,477 (December 31, 2012 - $505,844) in a guaranteed investment certificate, which bears interest at 1.35% (December 31, 2012 - 1.05%), and matures on January 31, 2014.

(Expressed in Canadian dollars)

5. Property and Equipment

	Software $	Computer equipment $
Cost:		
Balance, December 31, 2012	20,000	10,698
Additions	–	11,443
Balance, September 30, 2013	20,000	22,141
Accumulated amortization:		
Balance, December 31, 2012	20,000	6,746
Additions	–	4,829
Balance, September, 2013	20,000	11,575
Carrying amounts:		
Balance, December 31, 2012	–	3,952
Balance, September, 2013	–	10,566

6. Website Development Costs

	Website development costs $
Balance, December 31, 2012	2,034,809
Additions	–
Balance, September 30, 2013	2,034,809
Accumulated amortization:	
Balance, December 31, 2012	166,984
Additions	763,053
Balance, September 30, 2013	930,037
Carrying amounts:	
Balance, December 31, 2012	1,867,825
Balance, September 30, 2013	1,104,772

7. Trademark

As of September 30, 2013, the Company has capitalized $19,105 (December 31, 2013 - $10,089) for costs incurred to obtain the Company's trademarks. On February 7, 2013, a trademark with capitalized costs incurred of $10,089 was registered for a period of fifteen years. On February 7, 2013, the Company began amortizing these costs over the 15 year period and at September 30, 2013, the Company had recorded $468 (December 31, 2012 - $Nil) of amortization. At September 30, 2013, the carrying value of capitalized trademark costs was $18,637 (December 31, 2012 - $10,089).

8. Related Party Transactions

a) As of September 30, 2013, the Company was owed $176,900 (December 31, 2012 - $86,900) for loans from the Chief Executive Officer and Chief Financial Officer of the Company. These amounts are unsecured, non-interest bearing, and due on demand.

b) As of September 30, 2013, the Company had $1,324 (December 31, 2012 - $1,324) in accounts payable owed to a company controlled by a director of the Company.

c) As of September 30, 2013, the Company had $1,294 (December 31, 2012 - $2,209) in accounts payable owed to the Vice President of Engineering of the Company.

d) During the nine months ended September 30, 2013, the Company incurred salary of $66,264 (2012 - $79,063) to the Vice President of Engineering of the Company, which is recorded as general and administrative expense.

e) During the nine months ended September 30, 2013, the Company incurred management fees of $82,857 (2012 - $72,846) to the Chief Executive Officer and $57,857 (2012 - $72,846) Chief Financial Officer of the Company.

f) During the nine months ended September 30, 2013, the Company incurred management fees of $89,011 (2012 - $92,308) to the President of the Company.

g) During the nine months ended September 30, 2013, the Company incurred salary of $72,917 (2012 - $89,883 of consulting fees) to the Chief Operating Officer of the Company, which is recorded as general and administrative expense.

h) During the nine months ended September 30, 2013, the Company recognized stock-based compensation expense of $946,584 (2012 - $191,257) for 1,422,200 (2012 – 350,000) stock options granted to officers and directors of the Company.

The amounts incurred are in the normal course of operations and have been recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties.

9. Share Capital

Preferred Shares

The Company is authorized to issue an unlimited number of non-voting, non-transferable Class A preferred shares with a par value of $0.01 per share. The Class A preferred shares cannot be issued at a price less than $2.00 per share. Holders of Class A preferred shares are not entitled to receive any dividends. Each issued and outstanding Class A preferred share shall be converted into one fully paid common share immediately prior to the consummation of any "Change of Control Event".

As at September 30, 2013, there are no Class A preferred shares issued and outstanding.

(Expressed in Canadian dollars)

9. Share Capital (continued)

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

a) On July 31, 2013, the Company issued 744,600 units at a price of $1.10 per unit for gross proceeds of $819,060. Each unit consisted of one common share and one-half of a share purchase warrant. Each whole share purchase warrant is exercisable into one additional common share at an exercise price of $1.50 per share for a period of 18 months from the date of issuance. A finder's fee was paid to certain finders, including cash of $65,543 and 74,460 warrants with a fair value of $56,198. Each warrant is exercisable at an exercise price of $1.10 per share for a period of 18 months from the date of issuance.

b) On August 28, 2013, the Company issued 505,454 units at a price of $1.10 per unit for gross proceeds of $555,999. Each unit consisted of one common share and one-half of a share purchase warrant. Each whole share purchase warrant is exercisable into one additional common share at an exercise price of $1.50 per share for a period of 18 months from the date of issuance. A finder's fee was paid to certain finders, including cash of $33,920 and 38,545 warrants with a fair value of $20,975. Each warrant is exercisable at an exercise price of $1.10 per share for a period of 18 months from the date of issuance.

Escrowed Shares

On October 20, 2010, the Company entered into an Escrow Agreement with certain shareholders in which 9,750,001 common shares would be subject to escrow restrictions for a period of 66 months. Under the terms of the Escrow Agreement, 10% of the shares will be released from escrow one year after the completion of the Company's IPO, and a further 10% every 6 months thereafter. As at September 30, 2013, 3,900,001 shares were released from escrow, leaving a balance of 5,850,000 shares held in escrow.

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, December 31, 2012	1,574,812	2.05
Expired	(1,574,812)	2.05
Issued	738,032	1.44
Balance, September 30, 2013	738,032	1.44

The following table summarizes information about warrants outstanding and exercisable at September 30, 2013:

Warrants Outstanding	Exercise Price $	Expiry Date
372,300	1.50	January 31, 2015
74,460	1.10	January 31, 2015
252,727	1.50	February 28, 2015
38,545	1.10	February 28, 2015
738,032		

(Expressed in Canadian dollars)

11. Stock Options

The Company has a stock option plan that provides for the issuance of stock options to its directors, officers and consultants. On January 16, 2013, the Company granted 650,000 stock options to directors, officers, consultants and employees with an exercise price of $1.00 per share expiring on January 15, 2015. On February 13, 2013, the Company granted 597,500 stock options to directors, officers, consultants and employees with an exercise price of $1.00 per share expiring on February 13, 2015. On May 2, 2013 the Company granted 175,000 stock options with an exercise price of $1.10 per share expiring on May 2, 2015. On June 13, 2013 the Company granted 725,000 stock options with an exercise price of $1.10 per share expiring on June 13, 2015. On September 13, 2013 the Company granted 640,000 stock options with an exercise price of $1.25 per share expiring on September 13, 2015. On September 18, 2013 the Company granted 40,000 stock options with an exercise price of $1.25 per share expiring on September 18, 2015.

The following table summarizes information about the stock options.

	Nine Months Ended September 30, 2013		Year Ended December 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		$		$
Options outstanding – beginning of period	2,207,200	1.29	2,012,200	1.55
Expired	(1,882,200)	1.25	(155,000)	1.63
Granted	2,827,200	1.09	350,000	1.55
Options outstanding – end of period	3,152,200	1.14	2,207,200	1.29
Options exercisable – end of period	3,152,200	1.14	2,207,200	1.29

The following table summarizes information about stock options outstanding and exercisable at September 30, 2013.

Exercise Price $	Expiry Date	Options Outstanding and Exercisable	Weighted Average Remaining Contracted Life (Years)
1.55	April 5, 2014	325,000	0.51
1.00	January 15, 2015	650,000	1.29
1.00	February 13, 2015	597,200	1.37
1.10	May 2, 2015	175,000	1.59
1.10	June 13, 2015	725,000	1.70
1.25	September 13, 2015	640,000	1.95
1.25	September 18, 2015	40,000	1.97
		3,152,200	1.06

(Expressed in Canadian dollars)

11. Stock Options (continued)

Stock-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended September 30, 2013, the Company recognized the fair value of the options vested of $1,839,526. The weighted average fair value of the options vested during the period ended September 30, 2013 was $0.65 per option. Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Risk-free rate	0.32%	1.27%
Dividend yield	0%	0%
Volatility	151%	125%
Weighted average expected life of the options (years)	2.00	1.80

12. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2012.

13. Commitments

a) On February 28, 2011, the Company entered into a consulting agreement for business development services, payable at $3,000 per month commencing April 15, 2011.

b) The Company has entered into a one year office lease agreement and agreed to pay monthly rent of US$4,500 commencing June 1, 2013.

14. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

14. Financial Instruments and Risk Management (continued)

(a) Fair Values (continued)

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, September 30, 2013 $
Cash and cash equivalents	4,167,150	–	–	4,167,150
Short term investments	508,477	–	–	508,477

The fair values of other financial instruments, which include amounts receivable, due from related party, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) 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 exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The Company's receivables comprise amounts due from government agencies.

(c) Currency Risk

The Company's functional currency is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short- term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding 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 capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.