

VR RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2018
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE TO READER

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

The condensed consolidated interim financial statements of the Company for the quarter ended September 30, 2018 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the CPA Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

VR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)
AS AT SEPTEMBER 30, 2018

| | September 30, 2018 | March 31, 2018 |
|---|-----------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents (Note 3) | \$ 2,042,489 | \$ 3,085,933 |
| Receivables (Note 4) | 17,711 | 17,582 |
| Prepaid expenses | 19,612 | 11,731 |
| | <u>2,079,812</u> | <u>3,115,246</u> |
| Equipment (Note 5) | 7,718 | 6,074 |
| Exploration and evaluation assets (Note 6) | <u>4,731,645</u> | <u>3,354,614</u> |
| | <u>\$ 6,819,175</u> | <u>\$ 6,475,934</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|---|---------------------|---------------------|
| Current | | |
| Accounts payable and accrued liabilities (Note 7) | \$ 43,634 | \$ 56,932 |
| Shareholders' equity | | |
| Share capital (Note 8) | 11,476,155 | 10,679,559 |
| Reserves (Note 8) | 1,336,151 | 929,167 |
| Deficit | (6,355,343) | (5,502,660) |
| Accumulated other comprehensive income | 318,578 | 312,936 |
| | <u>6,775,541</u> | <u>6,419,002</u> |
| | <u>\$ 6,819,175</u> | <u>\$ 6,475,934</u> |

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

**On behalf of the Board
on August 2, 2018**

“Michael Gunning”

Director

“Craig Lindsay”

Director

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

VR RESOURCES LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

| | Three Months Ended Sept. 30, 2018 | Three Months Ended Sept. 30, 2017 | Six Months Ended Sept. 30, 2018 | Six Months Ended Sept. 30, 2017 |
|--|---|---|---------------------------------------|---------------------------------------|
| EXPENSES | | | | |
| Consulting fees (Note 10) | \$ 25,383 | \$ 12,805 | \$ 42,623 | \$ 27,511 |
| Depreciation (Note 5) | 559 | 581 | 1,118 | 836 |
| Foreign exchange loss | 26,095 | 17,177 | (37,561) | 40,878 |
| Investor relations and promotion | 36,058 | 32,427 | 107,196 | 67,120 |
| Impairment of exploration and evaluation assets (Note 6(a)) | 7,681 | 7,682 | 7,681 | 7,682 |
| Office | 8,994 | 6,567 | 18,690 | 14,500 |
| Professional fees | 24,653 | 12,790 | 47,002 | 37,785 |
| Property investigation | - | - | - | - |
| Rent | 10,684 | 5,100 | 21,367 | 10,200 |
| Salaries (Note 10) | 96,640 | 81,897 | 193,234 | 165,884 |
| Share-based payments (Note 8,10) | 59,080 | 65,064 | 436,052 | 116,933 |
| Regulatory and transfer agent | 5,691 | 13,878 | 15,488 | 31,143 |
| Travel | 767 | 6,060 | 12,281 | 10,708 |
| | (302,285) | (262,023) | (865,171) | (531,180) |
| Interest income | 7,173 | 5,244 | 12,488 | 9,321 |
| Net Loss for the period | (295,112) | (256,779) | (852,683) | (521,859) |
| Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years: | | | | |
| Translation adjustment | (63,994) | (61,376) | 5,642 | (87,884) |
| Loss and comprehensive loss for the period | \$ (359,106) | \$ (318,155) | \$ (847,041) | \$ (609,743) |
| Loss per common share | | | | |
| -Basic and diluted | \$ (0.01) | \$ (0.00) | \$ (0.02) | \$ (0.01) |
| Weighted average number of common shares outstanding | | | | |
| -Basic and diluted | 47,265,627 | 35,535,113 | 46,953,720 | 35,470,526 |

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

VR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

| | 2018 | 2017 |
|---|----------------------------|----------------------------|
| OPERATING ACTIVITIES | | |
| Loss for the period | \$ (852,683) | \$ (521,859) |
| Items not affecting cash: | | |
| Share-based payments | 436,052 | 116,933 |
| Depreciation | 1,118 | 836 |
| Changes in non-cash working capital items: | | |
| Receivables | (129) | 31,759 |
| Prepaid expenses | (7,881) | 6,803 |
| Accounts payable and accrued liabilities | (15,481) | (248,898) |
| Net cash used in operating activities | <u>(439,004)</u> | <u>(614,426)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of shares, net of share issue cost | <u>733,278</u> | - |
| Net cash provided by financing activities | <u>733,278</u> | - |
| INVESTING ACTIVITIES | | |
| Exploration and evaluation assets | (1,334,956) | (1,142,151) |
| Equipment | (2,762) | (4,344) |
| Net cash used in investing activities | <u>(1,337,718)</u> | <u>(1,146,495)</u> |
| Change in cash during the period | (1,043,444) | (1,760,921) |
| Cash, beginning of period | <u>3,085,933</u> | <u>4,157,167</u> |
| Cash, end of period | <u>\$ 2,042,489</u> | <u>\$ 2,396,246</u> |
| Cash paid during the period for: | | |
| Income taxes | \$ - | \$ - |
| Interest | \$ - | \$ - |

Supplemental disclosure with respect to cash flows (Note 9)

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

| | Share capital | | Reserves | Deficit | Accumulated Other Comprehensive Income | Total |
|---|---------------------|---------------|--------------|----------------|--|--------------|
| | Number of Shares | Amount | | | | |
| Balance as at March 31, 2017 | 35,405,222 | \$ 8,485,349 | \$ 836,620 | \$ (4,536,699) | \$ 325,686 | \$ 5,110,956 |
| Share-based payments | - | - | 116,933 | - | - | 116,933 |
| Property acquisition | 550,000 | 181,000 | - | - | - | 181,000 |
| Translation adjustment | - | - | - | - | (87,884) | (87,884) |
| Loss and comprehensive loss | - | - | - | (521,859) | - | (521,859) |
| Balance as at September 30, 2017 | 35,955,225 | 8,666,349 | 953,553 | (5,058,558) | 237,802 | 4,799,146 |
| Private placement | 8,030,000 | 2,007,500 | - | - | - | 2,007,500 |
| Share issue cost - Private placement | - | (29,176) | - | - | - | (29,176) |
| Options exercised | 300,000 | 31,000 | - | - | - | 31,000 |
| Finder's fees - cash | - | (20,500) | - | - | - | (20,500) |
| Reclassification of reserves on exercise of options | - | 24,386 | (24,386) | - | - | - |
| Translation adjustment | - | - | - | - | 75,134 | 75,134 |
| Loss and comprehensive loss | - | - | - | (444,102) | - | (444,102) |
| Balance as at March 31, 2018 | 44,285,222 | 10,679,559 | 929,167 | (5,502,660) | 312,936 | 6,419,002 |
| Private placement | 2,595,925 | 700,900 | - | - | - | 700,900 |
| Share issue cost - Private placement | - | (30,455) | - | - | - | (30,455) |
| Options exercised | 250,000 | 44,500 | - | - | - | 44,500 |
| Warrants exercised | 61,110 | 18,333 | - | - | - | 18,333 |
| Property acquisition | 100,000 | 34,250 | - | - | - | 34,250 |
| Reclassification of reserves on exercise of options | - | 29,068 | (29,068) | - | - | - |
| Share-based payments | - | - | 436,052 | - | - | 436,052 |
| Translation adjustment | - | - | - | - | 5,642 | 5,642 |
| Loss and comprehensive loss | - | - | - | (852,683) | - | (852,683) |
| Balance as at September 30, 2018 | 47,292,257 | \$ 11,476,155 | \$ 1,336,151 | \$ (6,355,343) | \$ 318,578 | \$ 6,775,541 |

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

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

VR Resources Ltd., formally Roll-Up Capital Corp. (“Roll-Up” the “Company”) was incorporated on May 7, 2015, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) and continued in British Columbia. The Company’s head office address is at 700 West Pender Street, Suite 1750, Vancouver, BC, V6C 1G8. The Company’s registered and records office address is at 550 Burrard Street, Suite 2300, Vancouver, BC, V6E 2B5. To date, the Company has not earned operating revenue.

As at September 30, 2018, the Company has a working capital of \$2,036,178 and an accumulated deficit of \$6,353,343. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company is in the process of exploring its own mineral exploration properties and evaluating new properties for potential acquisition. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared based on accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal courses of business rather than through a process of forced liquidation. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset and amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the six-month period ended September 30, 2018 are not necessarily indicative of the results that may be expected for the year ending March 31, 2019.

This is the first set of consolidated financial statements where the Company has applied IFRS 9, which was adopted effective April 1, 2018. Except as described below, these condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual consolidated financial statements for the year ended March 31, 2018. The changes in accounting policies are also expected to be reflected in the Company’s consolidated financial statements for the year ended March 31, 2019.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting and are presented in Canadian dollars.

These condensed consolidated interim financial statements of the Company include the balances of its subsidiaries, Renntiger Resources Ltd. and Renntiger USA Ltd., which are wholly owned subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

The Company consolidates its subsidiaries on the basis that it controls the subsidiaries through its ability to govern its financial and operating policies.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards (“IAS”) Board or International Financial Reporting Standards Interpretation Committee (“IFRIC”) that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 16 *Leases*: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

IFRS 9: Financial Instruments

The Company has initially adopted IFRS 9, from April 1, 2018. The effect of initially applying these standards did not have a material impact on the Company’s financial statements. Several other new standards are also effective from April 1, 2018, but they also did not have a material impact on the Company’s financial statements.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no material impact to the Company’s consolidated financial statements because of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(i) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans and receivables, and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company’s accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

A financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company’s financial assets include cash and cash equivalents which is classified as FVTPL, and receivables which are classified at amortized cost.

(ii) Impairment of financial assets

An ‘expected credit loss’ (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company’s financial assets measured at amortized cost and subject to the ECL model include receivables.

The adoption of the ECL impairment model had no impact on the carrying amount of the Company’s

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

receivables on the transition date given they are substantially all current and there has been minimal historical customer default.

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended March 31, 2018. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended September 30, 2018 are not necessarily indicative of the results that may be expected for the year ending March 31, 2019.

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

| | September 30, 2018 | March 31, 2018 |
|------------------|---------------------|---------------------|
| Cash | \$ 106,889 | \$ 3,085,933 |
| Cash equivalents | 1,935,600 | - |
| Total | \$ 2,042,489 | \$ 3,085,933 |

4. RECEIVABLES

Receivables consist of GST and interest receivable. The Company does not have any significant balances that are past due. All receivables are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of receivables approximates their carrying value.

5. EQUIPMENT

| | Computer Equipment |
|--------------------------------------|-----------------------|
| Cost: | |
| Balance at March 31, 2018 | \$ 8,257 |
| Additions | 2,762 |
| Balance at September 30, 2018 | \$ 11,019 |
| Accumulated Depreciation: | |
| Balance at March 31, 2018 | \$ 2,183 |
| Depreciation | 1,118 |
| Balance at September 30, 2018 | \$ 3,301 |
| Net Book Value: | |
| Balance at March 31, 2018 | \$ 6,074 |
| Balance at September 30, 2018 | \$ 7,718 |

6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

a) Yellow Peak – Nevada, USA

Yellow Peak is a 100% owned copper-molybdenum-silver property. During the year end March 31, 2016, the Company determined that the carrying value of its interest in the Yellow Peak property was impaired because no additional expenditures, at this time, are planned for the property. During the period ended September 30, 2018 the Company incurred an impairment expense of \$7,681(2017 – \$7,682) on the property.

b) Bonita – Nevada, USA

The Company acquired the Bonita copper-gold property in Humboldt County, Nevada, USA, through staking. Upon initiation of a diamond drill program within the area of interest (completed during the year ended March 31, 2018), the Company met its obligation to issue an additional 450,000 common shares to the original finder, which were issued with a fair value of \$148,500.

c) Danbo – Nevada, USA

The Company owns a 100% interest in certain unpatented mining claims, known as the Danbo gold-silver property, located in Nye County, Nevada, USA. The property is also subject to a 3% net smelter returns royalty.

The Company entered into an option to purchase agreement to earn a 100% interest in the Amsel property located in Nye County, Nevada, USA. To acquire the Amsel property, which is an extension of claims adjacent to the Danbo claims, the Company will pay US\$60,000 and issue 100,000 common shares as follows:

- 50,000 common shares on closing (issued, fair value of \$19,750);
- US\$10,000 on closing (paid);
- 50,000 common shares on the first business day following commencement of a drill program on the property; and
- US\$50,000 on the first business day following commencement of a drill program on the property.

The property is subject to a 2% net smelter returns royalty and the Company has the right to buy down up to one-half of the royalty for US\$500,000 per half a percent.

d) Big Creek – Nevada, USA

The Company staked the Big Creek copper-molybdenum property in Humboldt County, Nevada, USA, in July 2017. The Company owns the property 100%, with no underlying third-party payments, interests or royalties.

e) Junction – Nevada, USA

The Company entered into an option to purchase agreement to earn a 100% interest in the Junction copper-silver-gold property located in Humboldt County, Nevada, USA, in September 2017. To acquire the Junction property the Company paid \$12,835 (US\$10,000), and will issue 100,000 common shares as follows:

- 50,000 common shares on closing (issued) with a fair value of \$16,250; and
- 50,000 common shares if the Company completes a first-pass drill program on the property by March 2019, with the option to return the property to the vendor prior to such date, with no obligation to issue the common shares.

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Should the Company exercise its option to drill the property and makes the share issuance to own the property outright, it will be obliged to:

- Issue 250,000 common shares to the vendor, if and when the Company completes and files a NI 43-101 report containing a mineral resource estimate within the property.

The property is subject to a 3% net smelter returns royalty and the Company has the right to buy down up to one-half of the royalty for US\$500,000 per half a percent.

The Company entered into an option to purchase agreement to earn a 100% interest in the Wedding Ring property located in Humboldt County, Nevada, USA. To acquire the Wedding Ring property, which is an extension of claims adjacent to the Junction claims, the Company paid US\$6,000, and will issue 100,000 common shares as follows:

- 50,000 common shares on closing (issued, fair value of \$14,500); and
- 50,000 common shares due within 5 business days of the Company commencing a drill program on the property.

The property is subject to a 3% net smelter returns royalty and the Company has the right to buy down 1.5% of the royalty for US\$1,500,000.

f) New Boston – Nevada, USA

The Company entered into an option to purchase agreement to earn a 100% interest in the New Boston copper-molybdenum property located in Mineral County, Nevada, USA, in September 2017. To acquire the New Boston property the Company paid \$12,835 (US\$10,000) during the year ended March 31, 2018 and will issue 100,000 common shares as follows:

- 50,000 common shares on closing (issued, year ended March 31, 2018 with a fair value of \$16,250); and
- 50,000 common shares if the Company completes a first-pass drill program on the property by March 2019, with the option to return the property to the vendor prior to such date, with no obligation to issue the common shares.

The property is subject to a 2% net smelter returns royalty, and the Company has the right to buy down up to one-half of the royalty for US\$500,000 per half a percent.

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

| | Big Creek | Bonita | Danbo | Junction | New Boston | Total |
|------------------------------------|------------------|---------------------|-------------------|-------------------|-------------------|---------------------|
| Acquisition costs | | | | | | |
| Balance, March 31, 2018 | \$ 23,446 | \$ 1,247,359 | \$ 6,131 | \$ 84,087 | \$ 76,576 | \$ 1,437,599 |
| Land administration | - | - | 13,430 | 6,400 | - | 19,830 |
| Staking fees | - | 125,423 | 6,985 | 12,684 | - | 145,092 |
| Shares issued | - | - | 19,750 | 14,500 | - | 34,250 |
| Translation adjustment | 93 | 1,440 | (43) | 205 | 239 | 1,934 |
| | 93 | 126,863 | 40,122 | 33,789 | 239 | 201,106 |
| Balance, September 30, 2018 | \$ 23,539 | \$ 1,374,222 | \$ 46,253 | \$ 117,876 | \$ 76,815 | \$ 1,638,705 |
| Deferred exploration costs | | | | | | |
| Balance, March 31, 2018 | \$ 33,484 | \$ 1,810,756 | \$ 25,390 | \$ 47,385 | \$ - | \$ 1,917,015 |
| Assays | - | - | - | - | - | - |
| Drilling | - | 672,152 | - | - | - | 672,152 |
| Field | - | 41,064 | 11,185 | 9,778 | - | 62,027 |
| Geological | - | 35,403 | 18,263 | 11,284 | - | 64,950 |
| Geophysical | - | - | 95,082 | 174,649 | - | 269,731 |
| Geochemistry | - | 32,792 | 6,171 | 16,673 | - | 55,636 |
| Permitting | - | 47,723 | - | - | - | 47,723 |
| Translation adjustment | 132 | 4,421 | (332) | (515) | - | 3,706 |
| | 132 | 833,555 | 130,369 | 211,869 | - | 1,175,925 |
| Balance, June 30, 2018 | \$ 33,616 | \$ 2,644,311 | \$ 155,759 | \$ 259,254 | \$ - | \$ 3,092,940 |
| Balance, September 30, 2018 | \$ 57,155 | \$ 4,018,533 | \$ 202,012 | \$ 377,130 | \$ 76,815 | \$ 4,731,645 |

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30, 2018 | March 31, 2018 |
|---------------------|---------------------------|-----------------------|
| Trade Payables | \$ 25,634 | \$ 28,986 |
| Accrued Liabilities | 18,000 | 27,946 |
| | \$ 43,634 | \$ 56,932 |

8. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

The Company completed a private placement of 2,595,925 units at a price of \$0.27 per share for gross proceeds of \$700,900, less a \$30,455 cash finder's fee, totalling net proceeds of \$674,700. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.40 to April 13, 2020.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd)**Stock options**

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options

to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years, and the exercise price of the stock options is set in accordance with the policies of the TSX-V.

As at September 30, 2018, the Company had stock options outstanding enabling the holder to acquire common shares as follows:

| Number of Shares | Exercise Price | Expiry Date | Weighted Average Life Remaining |
|------------------|----------------|-----------------|---------------------------------|
| 105,000 | \$0.30 | March 21, 2027 | 8.48 |
| 1,790,000 | \$0.30 | March 21, 2027 | 8.48 |
| 250,000 | \$0.30 | May 16, 2027 | 8.66 |
| 300,000 | \$0.30 | August 28, 2027 | 8.92 |
| 1,450,000 | \$0.30 | April 13, 2028 | 9.55 |
| 200,000 | \$0.35 | July 6, 2028 | 9.78 |
| <u>4,095,000</u> | | | <u>8.96</u> |

Stock option transactions are summarized as follows:

| | Number of Options | Weighted Average Exercise Price |
|---|-------------------|---------------------------------|
| As at March 31, 2017 | 2,600,000 | \$ 0.27 |
| Granted | 550,000 | 0.30 |
| Exercised | (300,000) | 0.10 |
| Cancelled | (155,000) | 0.30 |
| As at March 31, 2018 | 2,695,000 | \$ 0.29 |
| Granted | 1,650,000 | 0.30 |
| Exercised | (250,000) | 0.21 |
| As at September 30, 2018 | 4,095,000 | \$ 0.29 |
| Number of options currently exercisable | 4,095,000 | \$ 0.29 |

During the period ended September 30, 2018, the Company recognized share-based payments expense of \$436,052 (2017 - \$116,933), regarding the vesting of stock options granted.

VR RESOURCES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd...)

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted:

| | September 30, 2018 | March 31, 2018 |
|--|-----------------------|-------------------|
| Risk-free interest rate | 2.23% | 1.87% |
| Expected life of options | 10.0 | 10.0 |
| Annualized volatility | 100% | 100% |
| Dividend rate | 0% | 0% |
| Weighted average fair value per option granted | \$ 0.31 | \$ 0.30 |

Warrants

The following common share purchase warrants entitle the holders thereof to purchase one common share for each warrant. Warrants transactions are as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|--------------------------------------|-----------------------|---------------------------------------|
| As at March 31, 2017 | 8,374,516 | \$ 0.56 |
| Agents' warrants expired | (83,333) | \$ 0.30 |
| Warrants issued in private placement | 4,015,000 | \$ 0.40 |
| As at March 31, 2018 | 12,306,183 | \$ 0.51 |
| Agents' warrants exercised | (61,110) | \$ 0.30 |
| Warrants issued in private placement | 1,297,963 | \$ 0.40 |
| As at September 30, 2018 | 13,543,036 | \$ 0.50 |

The weighted average remaining contractual life of warrants outstanding at September 30, 2018, was 0.87 (March 31, 2018 – 1.30) years.

Warrants outstanding are as follows:

| Number of Warrants | Exercise Price | Expiry Date |
|--------------------|----------------|----------------|
| 872,224 | \$ 0.30 | March 19, 2019 |
| 7,357,849 | \$ 0.60 | March 21, 2019 |
| 4,015,000 | \$0.40 | March 16, 2020 |
| 1,297,963 | \$0.40 | April 13, 2020 |
| 13,543,036 | | |

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended September 30, 2018, consisted of the following:

- Issued 100,000 common shares with a fair value of \$34,250 for the acquisition of exploration and evaluation assets; and
- Accrued \$14,120 (March 31, 2018 - \$11,937) of exploration and evaluation assets in accounts payable and accrued liabilities.

VR RESOURCES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd...)

Significant non-cash investing or financing transactions during the period ended September 30, 2017, consisted of the following:

- Issued 550,000 common shares with a fair value of \$181,000 for the acquisition of mineral properties.
- Accrued \$177,937 (March 31, 2017 - \$1,717) of exploration and evaluation assets in accounts payable and accrued liabilities.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the periods ended September 30, were:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| Short-term benefits paid or accrued: | | |
| Consulting fees | \$ 18,000 | \$ 18,000 |
| Salaries | 96,000 | 96,000 |
| | <u>114,000</u> | <u>114,000</u> |
| Share-based payments: | | |
| Share-based payments | <u>272,979</u> | <u>-</u> |
| Total remuneration | \$ 386,979 | \$ 114,000 |

The Company has an arrangement with Balmoral Resources Ltd. ("Balmoral"), a Company with a common director, to provide office space and corporate compliance support. During the period ended September 30, 2018 the Company paid to Balmoral \$24,083 (2017 - \$19,710) for office rent and other general and administrative expenses. As at September 30, 2018, the Company owed \$4,814 (2017 - \$9,939) to this company.

11. SEGMENTED INFORMATION

The Company operates in one reportable segment being the acquisition and exploration of exploration and evaluation assets. Geographical information of the Company's non-current assets is as follows:

| | September 30, 2018 | March 31, 2018 |
|---|---------------------|---------------------|
| Equipment - Canada | \$ 7,718 | \$ 6,074 |
| Exploration and evaluation assets - USA | <u>\$ 4,731,645</u> | <u>\$ 3,354,614</u> |

12. CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity financing to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

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12. CAPITAL MANAGEMENT (cont'd...)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash and cash equivalents is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash and cash equivalents and is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash and cash equivalents is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company considers the credit risk of receivables to be low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of September 30, 2018, the Company had a cash balance of \$2,042,489 to settle current liabilities of \$43,634. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

Interest rate risk

The Company has cash and cash equivalents balances and no interest-bearing debt. The Company's cash is held in accounts with floating interest rates. The Company is significantly exposed to interest rate risk.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in USD. Amounts exposed to foreign currency risk include cash of US\$30,504 as of September 30, 2018 (Note 3). A 10% fluctuation in the USD against the CAD would result in an approximate \$3,000 change in profit or loss for the period.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss and the ability to obtain financing, due to

movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements

and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

14. SUBSEQUENT EVENTS

On October 2, 2018 the Company granted 40,000 incentive stock options to a consultant of the Company. The stock options are exercisable on or before October 2, 2028 at an exercise price of \$0.25 per stock option.