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Condensed Consolidated Interim Financial Statements
Nine Months Ended September 30, 2017 and 2016
(Expressed in Canadian Dollars)
(Unaudited)

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NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2017, and comparatives for the nine months ended September 30, 2016, were prepared by management and have not been reviewed or audited by the Company's auditors.

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Loss

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
Operating Expenses					
Administration	6	\$ 15,000	\$ 10,000	\$ 45,000	\$ 10,000
Consulting	6	4,890	9,110	17,031	15,110
Exploration and evaluation	5 & 6	228,797	43,644	294,598	43,644
Investor relations	6	17,518	47,852	86,048	49,798
Office and general	6	5,423	3,691	19,142	7,062
Professional fees	6	18,353	46,238	71,116	63,511
Regulatory fees and taxes		12,824	6,507	23,404	15,009
Share-based payments	7	-	-	201,803	-
Shareholders' communications		350	1,401	1,338	1,548
Transfer agent		672	714	2,604	1,977
		303,827	169,157	762,084	207,659
Foreign exchange gain					
		(34)	-	(290)	-
Gain on settlement of debt					
		-	(5,200)	-	(5,200)
Reversal of flow-through premium					
	10	-	-	(728)	-
		(34)	(5,200)	(1,018)	(5,200)
Net Loss and Comprehensive Loss for the Period					
		\$ 303,793	\$ 163,957	\$ 761,066	\$ 202,459
Loss per share - basic and diluted					
		\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding					
		64,819,341	32,735,925	63,208,772	32,735,925

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars, Unaudited)

As at	Note	September 30 2017	December 31 2016
Assets			
Current			
Cash	8	\$ 9,861	\$ 534,194
Receivables		13,407	20,118
Prepays		6,966	2,785
		30,234	557,097
Non-current			
Mineral properties	5	303,483	194,197
Reclamation bond		12,000	12,000
		315,483	206,197
		\$ 345,717	\$ 763,294
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 475,727	\$ 460,902
Due to related parties	6	104,862	55,961
		580,589	516,863
Equity (Deficit)			
Share capital	7	13,449,358	13,371,398
Share-based payments reserve		364,082	225,874
Warrant reserve		201,290	201,290
Deficit		(14,249,602)	(13,552,131)
		(234,872)	246,431
		\$ 345,717	\$ 763,294

Approved on behalf of the Board

"Lawrence Page"

Lawrence Page, Q.C.
Director

"Edward Odishaw"

Edward Odishaw
Director

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity (Deficit)

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Subscriptions Received	Share-based Payments		Warrant Reserve	Deficit	Total Equity (Deficit)
	Number of Shares	Amount		Reserve	Reserve			
Balance as at December 31, 2015	32,735,925	\$ 12,212,977	\$ -	\$ 237,867	\$ -	\$ (12,952,109)	\$ (501,265)	
Subscriptions received - flow-through	-	-	277,500	-	-	-	277,500	
Subscriptions received - non flow-through	-	-	633,000	-	-	-	633,000	
Expiry of options and warrants	-	-	-	(1,971)	-	1,971	-	
Net loss	-	-	-	-	-	(202,459)	(202,459)	
Balance as at September 30, 2016	32,735,925	\$ 12,212,977	\$ 910,500	\$ 235,896	\$ -	\$ (13,152,597)	\$ 206,776	
Balance as at December 31, 2016	62,390,140	\$ 13,371,398	\$ -	\$ 225,874	\$ 201,290	\$ (13,552,131)	\$ 246,431	
Issued								
Shares for mineral property	2,598,680	77,960	-	-	-	-	77,960	
Share-based payments	-	-	-	201,803	-	-	201,803	
Expiry of options and warrants	-	-	-	(63,595)	-	63,595	-	
Net loss	-	-	-	-	-	(761,066)	(761,066)	
Balance as at September 30, 2017	64,988,820	\$ 13,449,358	\$ -	\$ 364,082	\$ 201,290	\$ (14,249,602)	\$ (234,872)	

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

	2017	2016
Operating Activities		
Net loss	\$ (761,066)	\$ (202,459)
Items not involving cash:		
Gain on settlement of debt	-	(5,200)
Reversal of flow-through premium	(728)	-
Share-based payments	201,803	-
	(559,991)	(207,659)
Changes in Non-Cash Working Capital		
Receivables	6,711	6,117
Prepays	(4,181)	(2,785)
Accounts payable and accrued liabilities	20,216	(27,497)
Due to related parties	34,437	73,921
	57,183	49,756
Cash Used in Operating Activities	(502,808)	(157,903)
Investing Activities		
Acquisition of mineral property	(26,525)	(3,155)
Reclamation bond	-	(12,000)
Cash Used in Investing Activities	(26,525)	(15,155)
Financing Activities		
Subscriptions received, net	-	873,025
Loans received from related parties	5,000	1,000
Cash Provided by Financing Activities	5,000	874,025
(Decrease) Increase in Cash During the Period	(524,333)	700,967
Cash, Beginning of the Period	534,194	-
Cash, End of the Period	\$ 9,861	\$ 700,967

Supplemental cash flow information (Note 8)

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

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

1. Nature of Operations and Going Concern

Valterra Resource Corporation (the "Company") was incorporated in Alberta on September 26, 1996, continued to the Yukon on May 8, 1997 and subsequently to British Columbia on February 22, 2008. The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2017, the Company had a working capital deficit of \$550,355 (December 31, 2016 - working capital of \$40,234). The Company incurred a net loss of \$761,066 for the nine months ended September 30, 2017 (2016 - \$202,459) and had an accumulated deficit of \$14,249,602 as at September 30, 2017 (December 31, 2016 - \$13,552,131).

As at September 30, 2017, the Company does not have sufficient capital to meet the requirements for its administrative overhead or maintaining its mineral interests. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company will be required to issue share capital to finance future activities through private placements and the exercise of options and warrants. There can be no assurance that such financing will be available to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustment could be material.

2. Basis of Preparation

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standards 34: *Interim Financial Reporting* using historical cost, except for cash flow information and financial instruments measured at fair value, and incorporate the financial statements of the Company and Valterra Resource (US) Corporation, an entity wholly-controlled by the Company incorporated in Nevada, USA. All intercompany transactions and balances have been eliminated upon consolidation. The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

2. Basis of Preparation, continued

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2016.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 28, 2017.

3. Summary of Significant Accounting Policies

In addition to below, the same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards of the results for the interim periods presented.

Control

Management consolidates all entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the reporting date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

4. Financial Instruments

The Company's financial instruments include cash, reclamation bond, accounts payable and accrued liabilities and due to related parties.

The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

Valterra Resource Corporation

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Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Property

Mineral property acquisition costs as at September 30, 2017, were as follows:

	Swift Katie	Weepah	Total
	\$	\$	\$
Balance as at December 31, 2015	-	-	-
Additions	194,197	-	194,197
Balance as at December 31, 2016	194,197	-	194,197
Additions	-	109,286	109,286
Balance as at September 30, 2017	194,197	109,286	303,483

Swift Katie

Pursuant to an agreement dated July 21, 2006, as amended, a private company controlled by a director of the Company, acquired an option to purchase the property located near Salmo, British Columbia. The option was subsequently assigned to the Company for \$2,500.

The property is subject to a 3% net smelter royalty ("NSR") of which the Company has the option to purchase one-half (1.5%) for \$1,000,000 per 1% and the option to purchase a further one-sixth (0.5%) for an additional \$1,500,000 at any time prior to the commencement of commercial production.

Beginning December 31, 2010 and annually thereafter, the Company is required to make an annual advance minimum royalty ("AMR") payment of \$50,000. These payments will be adjusted annually according to the Consumer Price Index base of December 31, 2006 and are deductible from future NSR payments.

In addition to the NSR and the AMR, if the Company completes a positive feasibility study, the Company will issue 250,000 common shares to the optionors and if the Company achieves commercial production, the Company will issue 500,000 common shares to the optionors.

Weepah

Pursuant to an agreement dated June 23, 2017, the Company has the right to acquire a 100% interest in certain unpatented and patented mining claims in Esmeralda County, Nevada. To acquire the interest, the Company is required to make the following payments:

- US\$100,000 at closing (paid via issuance of 2,598,680 common shares on July 6, 2017 with a fair value of \$0.03 per share);
- US\$100,000 on June 23, 2018 (which may be paid in common shares);
- US\$200,000 on June 23, 2019;
- US\$200,000 on June 23, 2020; and
- US\$400,000 on June 23, 2021.

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

Weepah, continued

The property is subject to NSR royalties totaling 3% of which the Company may reduce to 2% for US\$2,500,000. AMR payments will be due upon the anniversary of the option exercise as follows: US\$25,000 on first, second and third anniversaries, and US\$35,000 on subsequent anniversaries.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the nine months ended September 30, 2017 and 2016, were as follows:

	Swift Katie		Weepah		Total	
	\$	\$	\$	\$	\$	\$
	2017	2016	2017	2016	2017	2016
Assays and analysis	51,715	3,476	508	-	52,223	3,476
Drilling	111,908	-	-	-	111,908	-
Equipment rental and field supplies	9,404	-	-	-	9,404	-
Geological services	26,081	2,421	19,821	-	45,902	2,421
Project supervision	63,688	33,555	2,415	-	66,103	33,555
Travel	8,950	2,930	-	-	8,950	2,930
	<u>271,746</u>	<u>42,382</u>	<u>22,744</u>	<u>-</u>	<u>294,490</u>	<u>42,382</u>
General					108	1,262
					<u>294,598</u>	<u>43,644</u>

6. Related Party Balances and Transactions

Except as disclosed elsewhere in these condensed consolidated interim financial statements, the Company entered into the following related party transactions:

(a) Fees were charged by a company controlled by a director and officer of the Company as follows:

- \$45,000 (2016 - \$10,000) for office space and administration services;
- \$8,031 (2016 - \$6,110) for consulting services;
- \$24,250 (2016 - \$5,500) for professional services;
- \$35,108 (2016 - \$3,200) for investor relations services;
- \$35,615 (2016 - \$20,805) for geological consulting services; and
- \$4,980 (2016 - \$762) for mark-up on out of pocket expenses.

Accounts payable as at September 30, 2017 were \$71,357 (December 31, 2016 - \$21,939).

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions, continued

- (b) Fees in the amount of \$30,506 (2016 - \$44,500) were charged by or accrued to law firms controlled by a director and officer of the Company and included in professional fees, mineral property expenditures and share issue costs where applicable. Amounts payable as at September 30, 2017 were \$22,622 (December 31, 2016 - \$16,862).
- (c) Fees in the amount of \$9,000 (2016 - \$9,000) were charged by an officer of the Company for consulting services. Amounts payable as at September 30, 2017 were \$4,200 (December 31, 2016 - \$1,000).
- (d) Fees in the amount of \$30,750 (2016 - \$12,750) were charged by a company controlled by a director of the Company for geological consulting services. Amounts payable as at September 30, 2017 were \$nil (December 31, 2016 - \$16,160).
- (e) Fees in the amount of US\$1,350 (2016 - US\$nil) were charged by a director of the Company (appointed on May 29, 2017) for geological consulting services. Amounts payable as at September 30, 2017 were \$1,683 (US\$1,350) (December 31, 2016 - \$nil).
- (f) Loans totalling \$5,000 (December 31, 2016 - \$nil) are payable to a company controlled by a director and officer of the Company with respect to funds advanced.

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits.

A summary of compensation awarded to key management, including amounts in (c), (d) and (e) above, was as follows:

	2017	2016
Short-term benefits	\$ 41,566	\$ 21,750
Share-based payments	115,316	-
Total	\$ 156,882	\$ 21,750

7. Share Capital

(a) Authorized

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(b) Stock Options

On March 27, 2017, a total of 4,200,000 fully vested stock options, exercisable for a period of five years with an exercise price of \$0.05 per share, were granted to directors, officers and consultants.

Stock options outstanding and exercisable as at September 30, 2017 were as follows:

Exercise Price	Expiry Date	Balance		Cancelled / Expired	Balance September 30, 2017
		December 31, 2016	Granted		
\$0.10	July 19, 2017	445,000	-	445,000	-
\$0.12	December 17, 2017	1,265,000	-	-	1,265,000
\$0.17	March 1, 2018	100,000	-	-	100,000
\$0.05	March 27, 2022	-	4,200,000	-	4,200,000
		1,810,000	4,200,000	445,000	5,565,000
Weighted average exercise price		\$0.12	\$0.05	\$0.10	\$0.07
Weighted average contractual life remaining (years)		0.87			3.45

(c) Share Purchase Warrants

Share purchase warrants outstanding as at September 30, 2017 were as follows:

Exercise Price	Expiry Date	Balance		Balance September 30, 2017
		December 31, 2016	Expired	
\$0.05	February 20, 2019 (Note 1)	3,105,000	-	3,105,000
\$0.05	February 21, 2017	785,650	785,650	-
\$0.05	June 10, 2019 (Note 2)	1,000,000	-	1,000,000
\$0.05	August 12, 2017	100,000	100,000	-
\$0.10	October 5, 2021	16,584,000	-	16,584,000
\$0.10	October 5, 2021	3,545,000	-	3,545,000
\$0.10	October 5, 2021	120,000	-	120,000
\$0.05	November 14, 2017	350,000	-	350,000
\$0.10	December 29, 2021	2,815,107	-	2,815,107
\$0.10	December 29, 2021	105,600	-	105,600
		28,510,357	885,650	27,624,707
Weighted average exercise price		\$0.09	\$0.05	\$0.09
Weighted average contractual life remaining (years)		3.94		3.61

(1) Effective January 13, 2017 expiry date extended from February 20, 2017 to February 20, 2019.

(2) Effective January 13, 2017 expiry date extended from June 10, 2017 to June 10, 2019.

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Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(d) Fair Value Determination

The weighted average fair value of options granted was \$0.05 (2016 - \$nil). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2017
Risk-free interest rate	1.09%
Expected share price volatility	183.59%
Expected life (years)	5.00
Expected dividend yield	0.00%

The expected volatility assumptions have been developed taking into consideration historical volatility of the Company's share price. The total calculated fair value of share-based payments recognized was as follows:

	2017
Condensed Consolidated Interim Statements of Comprehensive Loss	
Directors and officers	\$ 115,316
Consultants	86,487
Total	\$ 201,803

8. Supplemental Cash Flow Information

	2017	2016
Cash comprised of:		
Cash	\$ 3,148	\$ 432,494
Cash reserved for flow-through expenditures	6,713	268,473
Total Cash	\$ 9,861	\$ 700,967
Cash Items		
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Interest received	\$ -	\$ -
Non-Cash Items		
Investing Activities		
Accounts payable included in mineral properties	\$ 13,485	\$ -

Valterra Resource Corporation

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Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars, Unaudited)

9. Segmented Information

The Company has one operating segment, the acquisition and exploration of mineral properties. As at September 30, 2017, the Company's non-current assets were located in Canada (\$206,197) and the United States of America (\$109,286).

10. Flow-through Expenditures

As at September 30, 2017, the Company had completed its remaining commitment to incur qualifying Canadian Exploration Expenditures of \$7,278 with respect to a private placement of flow-through shares completed during October 2016.

As at September 30, 2017, the Company had completed \$264,133 of qualifying Canadian Exploration Expenditures with respect to a private placement of flow-through shares completed during December 2016. The Company has a remaining commitment of \$17,378 to be incurred by December 31, 2017.

11. Events after the Reporting Period

Other than the transactions disclosed elsewhere in these condensed consolidated interim financial statements, the following occurred subsequent to September 30, 2017:

- On November 14, 2017, a total of 350,000 share purchase warrants with an exercise price of \$0.05 per share expired unexercised.