

**VR RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine months ended December 31, 2022  
(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 financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements of the Company for the period ended December 31, 2022, 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 interim condensed consolidated financial statements by an entity's auditor.

**VR RESOURCES LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	December 31, 2022	March 31, 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	\$ 1,021,880	\$ 1,968,469
Receivables (Note 4)	115,387	8,730
Prepaid expenses	14,345	65,364
	1,151,612	2,042,563
<b>Equipment</b> (Note 5)	1,755	2,264
<b>Exploration and evaluation assets</b> (Note 6)	12,228,043	9,146,463
<b>Reclamation bond</b> (Note 7)	55,357	55,357
	\$ 13,436,767	\$ 11,246,647
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 149,331	\$ 109,552
Flow-through premium liability (Note 9)	-	208,758
	149,331	318,310
<b>Shareholders' equity</b>		
Share capital (Note 9)	22,085,068	20,161,916
Reserves (Note 9)	2,544,205	2,407,994
Deficit	(11,991,126)	(11,781,303)
Accumulated other comprehensive income	649,289	139,730
	13,287,436	10,928,337
	\$ 13,436,767	\$ 11,246,647

**Nature of operations and going concern** (Note 1)**On behalf of the Board  
on February 22 2023***“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 PERIODS ENDED DECEMBER 31**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	Three Months Ended Dec. 31, 2022	Three Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2022	Nine Months Ended Dec. 31, 2021
<b>EXPENSES</b>				
Consulting fees (Note 10)	\$ 6,000	\$ 6,000	\$ 23,350	\$ 18,000
Depreciation (Note 5)	169	243	509	728
Foreign exchange (gain) loss	3,122	(2,568)	312	2,652
Investor relations and promotion	34,312	28,934	115,193	97,709
Impairment of exploration and evaluation assets	-	-	5,353	10,478
Office	13,114	13,600	42,565	43,466
Professional fees	17,801	11,576	69,108	32,014
Rent	6,000	6,000	18,000	18,000
Salaries (Note 10)	43,522	49,932	183,671	212,630
Share-based payments (Note 8,10)	-	-	136,211	426,574
Regulatory and transfer agent	6,975	6,268	28,202	31,370
Travel	4,652	-	9,751	-
	(135,667)	(119,985)	(632,223)	(893,621)
Flow-through premium income	210,000	-	418,758	-
Interest income	674	1,134	3,642	5,938
<b>Net Gain (loss) for the period</b>	<b>75,007</b>	<b>(118,851)</b>	<b>(209,823)</b>	<b>(887,683)</b>
<b>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</b>				
Translation adjustment	(80,707)	(30,922)	509,559	52,939
<b>Gain (loss) and comprehensive loss for the period</b>	<b>\$ (5,700)</b>	<b>\$ (149,773)</b>	<b>\$ 299,736</b>	<b>\$ (834,744)</b>
<b>Gain (loss) per common share</b>				
-Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>				
-Basic and diluted	96,934,881	81,592,248	89,034,566	80,286,372

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 PERIODS ENDED DECEMBER 31**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (209,823)	\$ (887,683)
Items not affecting cash:		
Share-based payments	136,211	426,574
Depreciation	509	727
Flow through premium liability	(418,758)	-
Changes in non-cash working capital items:		
Receivables	(106,657)	(22,037)
Prepaid expenses	51,019	16,004
Accounts payable and accrued liabilities	20,143	(83,881)
Net cash used in operating activities	(527,356)	(550,296)
<b>FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares, net of share issue cost	2,133,152	2,253,281
Net cash provided by financing activities	2,133,152	2,253,281
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(2,552,385)	(2,304,984)
Net cash used in investing activities	(2,552,385)	(2,304,984)
<b>Change in cash during the period</b>	(946,589)	(601,999)
<b>Cash, beginning of period</b>	1,968,469	2,931,748
<b>Cash, end of period</b>	\$ 1,021,880	\$ 2,329,749
<b>Cash paid during the period for:</b>		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

**Supplemental disclosure with respect to cash flows (Note 10)**

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

SEPTEMBER 30, 2021

(Unaudited - Expressed in Canadian Dollars)

Balance as at March 31, 2020	77,377,941	\$	18,248,469	\$	1,955,666	\$	(9,168,743)	\$	172,245	\$	11,207,637
Private placement	5,250,626		2,000,000		-		-		-		2,000,000
Share issue cost - private placement	-		(104,900)		-		-		-		(104,900)
Finders fees - warrants issued	-		(20,972)		20,972		-		-		-
Warrants exercised	1,023,375		358,181		-		-		-		358,181
Share-based payments	-		-		426,574		-		-		426,574
Translation adjustment	-		-		-		-		52,939		52,939
Reclassification or reserves on exercise of warrants	-		9,504		(9,504)		-		-		-
Loss and comprehensive loss	-		-		-		(887,683)		-		(887,683)
Balance as at December 31, 2021	83,651,942		20,490,282		2,393,708		(10,056,426)		225,184		13,052,748
Private Placement	-		-		-		-		-		-
Flow-through premium	-		(332,080)		-		-		-		(332,080)
Share issue cost - private placement	-		-		-		-		-		-
Finders fees - warrants issued	-		-		-		-		-		-
Warrants exercised	-		-		-		-		-		-
Property acquisition	50,000		18,000		-		-		-		18,000
Reclassification or reserves on exercise of warrants	-		-		-		-		-		-
Residual value of warrants	-		(14,286)		14,286		-		-		-
Translation adjustment	-		-		-		-		(85,454)		(85,454)
Loss and comprehensive loss	-		-		-		(1,724,877)		-		(1,724,877)
Balance as at March 31, 2022	83,701,942		20,161,916		2,407,994		(11,781,303)		139,730		10,928,337
Private Placement	13,468,917		2,256,060		-		-		-		2,256,060
Flow-through premium	-		(210,000)		-		-		-		(210,000)
Share issue cost - private placement	-		(122,908)		-		-		-		(122,908)
Share-based payments	-		-		136,211		-		-		136,211
Translation adjustment	-		-		-		-		509,559		509,559
Loss and comprehensive loss	-		-		-		(209,823)		-		(209,823)
Balance as at December 31, 2022	97,170,859	\$	22,085,068	\$	2,544,205	\$	(11,991,126)	\$	649,289	\$	13,287,436

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**

December 31, 2022

(Expressed in Canadian Dollars)

**1. NATURE OF OPERATIONS AND GOING CONCERN**

VR Resources Ltd. (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 1500 – 409 Granville Street, 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 December 31, 2022, the Company has a working capital of \$1,002,281 and an accumulated deficit of \$11,991,126. 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. Since the declaration, the COVID-19 pandemic has adversely affected workforces, economics, and financial markets globally. The spread of COVID-19 resulted in temporary travel restrictions to USA and in Canada, which made work more challenging, however disruptions were minimal to the Company’s business.

The extent to which COVID-19 may impact the Company’s business and operations will depend on future developments that are highly uncertain and cannot be accurately estimated at this time, including new information which may emerge concerning the severity of and the actions required to contain COVID-19 or remedy its impact.

**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 condensed consolidated interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2022, 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 nine-month period ended December 31, 2022, are not necessarily indicative of the results that may be expected for the year ending March 31, 2023.

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

December 31, 2022

(Expressed in Canadian Dollars)

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

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.

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 adopted**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods which are not expected to have a material effect on the Company's consolidated financial statements. There were no new standards adopted by the Company during the period ended December 31, 2022 having a material effect on the Company's consolidated financial statements.

**3. CASH AND CASH EQUIVALENTS**

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

	December 31, 2022	March 31, 2022
Cash	\$ 1,021,880	\$ 1,968,469
Total	\$ 1,021,880	\$ 1,968,469

**4. RECEIVABLES**

Receivables consist of GST receivable of \$115,387 (2022 - \$8,730) and other receivable of \$Nil (2021 - \$8,765). 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 as at December 31, 2022. Due to their short-term maturities, the fair value of receivables approximates their carrying value.



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

December 31, 2022

(Expressed in Canadian Dollars)

**5. EQUIPMENT**

	Computer Equipment
<b>Cost:</b>	
<b>Balance at March 31, 2021, 2022 and December 31, 2022</b>	\$ 11,020
<b>Accumulated Depreciation:</b>	
Balance at March 31, 2021	\$ 7,786
Depreciation	970
Balance at March 31, 2022	\$ 8,756
Depreciation	509
<b>Balance at December 31, 2022</b>	\$ 9,265
<b>Net Book Value:</b>	
Balance at March 31, 2022	\$ 2,264
Balance at December 31, 2022	\$ 1,755

**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) 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 surrounding the original property (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.

The Company has a 100% interest in the claims, free and clear of any interests or royalties.

**b) Big Ten Project – Nevada, USA**

The principal properties comprising the Big Ten project are Danbo, Amsel and Clipper and are summarized below.

**Danbo Property**

The Company owns a 100% interest in certain unpatented mining claims located in Nye County, Nevada, USA. The property is also subject to a 3% net smelter returns royalty and the Company has the right to purchase one-half of the royalty for US \$3,000,000.

**Amsel Property**

The Company owns a 100% interest in the Amsel property located in Nye County, Nevada, USA. As consideration, the Company paid US\$60,000 in cash and issue 100,000 common shares with a fair value of \$37,750. The vendor has been granted a 2% net smelter returns royalty and the Company has the right to buy back 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**

December 31, 2022

(Expressed in Canadian Dollars)

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)****Clipper Property**

The Company acquired the Clipper property by staking. It is comprised of 17 claims located approximately 4 km southeast along trend from the Danbo property.

**c) Ranoke Property, Ontario, Canada**

The Company acquired the Ranoke property directly by staking in April 2019. The property is owned 100% by the Company, free and clear of any interests or royalties. The claims are in good standing through April 2025.

During the year ended March 31, 2022, the Company determined that the carrying value of its interest in the Ranoke property was impaired because no additional expenditures, at this time, are planned for the property. The Company accordingly wrote-off acquisition and exploration expenditures on the property of \$1,701,735 as impairment of exploration and evaluation assets.

**d) Hecla-Kilmer Property, Ontario, Canada**

The Company owns a 100% interest in the Hecla-Kilmer property located in Ontario, Canada. As consideration, the Company paid \$65,000 in cash and issue 175,000 common shares with a fair valued of \$55,875. The vendor has been granted a 3% net smelter returns royalty and the Company has the right to buy back 1.5% of the royalty for \$500,000 for each 0.5% for a maximum cost of \$1,500,000.

**e) Reveille Property, Nevada, USA**

The Company owns a 100% interest in the Reveille property located in Nevada, USA. As consideration, the Company paid US\$70,000 in cash and issue 200,000 common shares with a fair value of \$70,000. The vendor has been granted a 3% net smelter returns royalty and the Company has the right to buy back 1.5% of the royalty for US\$500,000 for each 0.5% for a maximum cost of US\$1,500,000.

**f) New Boston, Nevada, USA**

The Company acquired 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) and will issue 100,000 common shares, in two stages, upon completion of a drill program on the property.

**g) Forsyth, Saskatchewan, Canada**

The Company entered into an option agreement to acquire a 100% interest in the Forsyth property located in northern Saskatchewan. The property consists of 5 mineral claims in two separate blocks of 2 and 3 claims respectively. One block of claims is in good standing for three years, with no exploration required or fees paid during that time, and one is in good standing for 21 years. To acquire the Forsyth property, the Company will pay \$5,000 (paid) and complete a drill program of at least three drill holes by August 12, 2025, (earn-in date). The vendor has been granted a 2% net smelter returns royalty and the Company has the right to buy back within 2 years of the earn-in date 1.0% of the royalty for \$2,000,000 for each 0.5% for a maximum cost of \$4,000,000.

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

December 31, 2022

(Expressed in Canadian Dollars)

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

	<b>Junction</b>	<b>New Boston</b>	<b>Forsyth</b>	<b>Hecla-Kilmer</b>	<b>Bonita</b>	<b>Big Ten</b>	<b>Reveille</b>	<b>Total</b>
<b>Acquisition costs</b>								
Balance, March 31, 2022	\$ -	\$ -	\$ -	\$ 132,525	\$ 1,458,913	\$ 245,297	\$ 312,052	\$ 2,148,787
Staking fees	-	24,108	-	2,250	-	38,579	-	64,937
Cash	-	-	5,000	-	-	-	-	5,000
Land administration	5,353	16,638	-	-	9,834	21,506	10,557	63,889
Translation adjustment	-	1,292	-	-	57,376	19,320	12,967	90,955
	5,353	42,038	5,000	2,250	67,210	79,405	25,543	224,781
Impairment	(5,353)	-	-	-	-	-	-	(5,353)
Balance, December 31, 2022	\$ -	\$ 42,038	\$ 5,000	\$ 134,775	\$ 1,526,123	\$ 324,702	\$ 335,576	\$ 2,368,214
<b>Deferred exploration costs</b>								
Balance, March 31, 2022	\$ -	\$ -	\$ -	\$ 2,078,522	\$ 2,636,659	\$ 781,540	\$ 1,500,955	\$ 6,997,676
Consulting	-	-	7,500	-	-	-	-	7,500
Drilling	-	-	-	1,432,336	-	45,375	3,995	1,481,706
Field	-	6,033	-	419,095	-	7,136	2,271	434,535
Geochemistry	-	-	-	359,890	-	65,408	2,395	427,693
Geological	-	22,580	-	227,460	1,068	24,011	10,996	286,114
Geophysical	-	-	-	6,000	-	-	-	6,000
Government grant	-	-	-	(200,000)	-	-	-	(200,000)
Translation adjustment	-	907	-	-	221,151	70,043	126,503	418,604
		29,520	7,500	2,244,781	222,219	211,973	146,160	2,862,153
Balance, December 31, 2022	\$ -	\$ 29,520	\$ 7,500	\$ 4,323,303	\$ 2,858,878	\$ 993,513	\$ 1,647,115	\$ 9,859,829
<b>Balance, December 31, 2022</b>	<b>\$ -</b>	<b>\$ 71,558</b>	<b>\$ 12,500</b>	<b>\$ 4,458,078</b>	<b>\$ 4,385,001</b>	<b>\$ 1,318,215</b>	<b>\$ 1,982,691</b>	<b>\$ 12,228,043</b>

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

December 31, 2022

(Expressed in Canadian Dollars)

**7. RECLAMATION BOND**

The Company has a refundable reclamation bond related to its Big Ten Project with the USDA Forest Service in the state of Nevada, USA covering the Amsel Property for US\$44,000 (\$55,357) (2021 - \$55,357).

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	December 31, 2022	March 31, 2022
Trade Payables	\$ 111,331	\$ 87,125
Accrued Liabilities	38,000	22,427
	<u>\$ 149,331</u>	<u>\$ 109,552</u>

**9. SHARE CAPITAL AND RESERVES**

Authorized – Unlimited common shares without par value

During the quarter ended December 31, 2022

- The Company closed a non-brokered private placement consisting of 6,443,750 units at a price of \$0.16 for gross proceeds of \$1,031,000. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.25 per common share to February 29, 2024. The Company paid cash fees of \$11,940 and share issue costs of \$750 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost.
- The Company closed a non-brokered private placement consisting of 1,973,500 units at a price of \$0.16 per unit and 3,381,667 flow-through shares at a price of \$0.18 per flow-through share for total gross proceeds of \$924,460. A flow-through premium liability of \$101,450 was allocated to the flow-through obligation of this private placement, and the remainder of proceeds were allocated to share capital. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.25 per common share to March 23, 2024. The Company paid cash fees of \$48,875 and share issue costs of \$948 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost.
- The Company closed a non-brokered private placement of 1,670,000 flow-through units at a price of \$0.18 per unit for gross proceeds of up to \$300,600. Each unit consisting of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.25 per common share to April 15, 2024. The Company paid cash fees of \$18,036 and share issue costs of \$42,357 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost.

During fiscal 2022

- The Company closed a non-brokered private placement consisting of 1,428,571 units at a price of \$0.35 per unit and 1,190,476 flow-through shares at a price of \$0.42 per flow-through share for total gross proceeds of \$1,000,000. A flow-through premium liability of \$95,238 was allocated to the flow-through obligation of this private placement, and the remainder of proceeds were allocated to share capital. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.55 per common share to November 15, 2022. A value of \$14,286 was attributed to the warrants using the residual value method. The Company paid cash fees of \$30,000 and issued 71,429 agent

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

December 31, 2022

(Expressed in Canadian Dollars)

**9. SHARE CAPITAL AND RESERVES (cont'd...)**

warrants valued at \$8,099. Each agent warrant is exercisable at \$0.55 per share to November 15, 2022. Additional share issue costs of \$7,450 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2022, \$500,000 of flow-through proceeds have been spent resulting in the flow-through premium of \$95,238 recognized as other income.

- The Company closed a non-brokered private placement consisting of 2,631,579 flow-through shares at a price of \$0.38 per flow-through share for gross proceeds of \$1,000,000. A flow-through premium liability of \$236,842 was allocated to the flow-through obligation of this private placement, and the remainder of proceeds were allocated to share capital. The Company paid cash fees of \$60,000 and issued 157,894 agent warrants valued at \$12,873. Each agent warrant is exercisable at \$0.50 per share to June 1, 2023. Additional share issue costs of \$7,450 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2022, \$118,578 of flow-through proceeds have been spent resulting in \$28,084 of the flow-through premium recognized as other income and \$208,758 remaining as a flow-through premium liability. The Company must spend the remaining flow-through proceeds of \$881,422 by December 31, 2022. During the quarter ended June 30, 2022, the Company recognized the flow-through premium liability of \$208,758 as other income. The Company also spent the remaining flow-through proceeds of \$881,422.
- The Company issued 1,023,375 common shares on the exercise of warrants for proceeds of \$358,181. \$9,305 was reclassified from reserves to share capital.
- The Company issued 50,000 common shares for the acquisition of exploration and evaluation assets at a fair value of \$18,000 (Note 6b).

**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.

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

December 31, 2022

(Expressed in Canadian Dollars)

**9. SHARE CAPITAL AND RESERVES (cont'd...)**

As at December 31, 2022, 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	4.22
1,790,000	\$0.30	March 21, 2027	4.22
250,000	\$0.30	May 16, 2027	4.38
1,350,000	\$0.30	April 13, 2028	5.29
200,000	\$0.35	July 6, 2028	5.52
40,000	\$0.25	October 2, 2028	5.76
975,000	\$0.28	August 14, 2029	6.62
300,000	\$0.30	September 9, 2029	6.70
900,000	\$0.28	June 10, 2025	2.44
150,000	\$0.30	August 27, 2025	2.66
1,425,000	\$0.45	July 14, 2026	3.54
1,325,000	\$0.16	September 26, 2027	4.74
8,810,000			4.53

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at March 31, 2021	6,060,000	\$ 0.30
Granted	1,425,000	0.45
As at March 31, 2022	7,485,000	0.32
Granted	1,325,000	0.16
December 31, 2022	8,810,000	\$ 0.30

During the period ended December 31, 2022, the Company recognized share-based payments expense of \$136,211 (2021 - \$426,574 in connection with the vesting of stock options granted).

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

	December 31, 2022	March 31, 2021
Risk-free interest rate	3.40%	0.91%
Expected life of options	5	5.0
Annualized volatility	88%	94%
Dividend rate	0%	0%
Weighted average fair value per option granted	\$ 0.10	\$ 0.30

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

December 31, 2022

(Expressed in Canadian Dollars)

**9. SHARE CAPITAL AND RESERVES (cont'd...)****Warrants**

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

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
As at March 31, 2021	8,152,479	\$ 0.40
Agents' warrants issued	229,323	\$ 0.52
Warrants issued in private placement	714,285	\$ 0.55
Warrants exercised	(1,023,375)	\$ 0.35
Warrants expired	(4,550,663)	\$ 0.38
As at March 31, 2022	3,522,049	\$ 0.47
Warrants expired	(3,364,155)	\$ 0.47
Warrants issued in private placement	6,744,874	\$ 0.25
As at December 31, 2022	6,902,768	\$ 0.26

The weighted average remaining contractual life of warrants outstanding at December 31, 2022, was 1.19 (December 31, 2021 – 0.68 years).

Warrants outstanding are as follows:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
157,894	\$0.50	June 1, 2023
3,221,875	\$0.25	Feb 29, 2024
2,677,583	\$0.25	March 23, 2024
845,416	\$0.25	April 15, 2024
6,902,768		

**10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the period ended December 31, 2022, consisted of the following:

- Recorded a flow-through premium of \$401,758.
- Accrued \$96,775 (March 31, 2022 - \$77,139) of exploration and evaluation assets in accounts payable and accrued liabilities.

Significant non-cash transactions during the period ended December 31, 2021, consisted of the following:

- Accrued \$8,879 (March 31, 2021 - \$86,111) of exploration and evaluation assets in accounts payable and accrued liabilities.

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

December 31, 2022

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**11. 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:

	2022	2021
<b>Short-term benefits paid or accrued:</b>		
Consulting fees	\$ 18,000	\$ 18,000
Salaries	217,000	144,000
	<u>235,000</u>	<u>162,000</u>
<b>Share-based payments:</b>		
Share-based payments	<u>123,360</u>	<u>426,574</u>
<b>Total remuneration</b>	<u>\$ 358,360</u>	<u>\$ 588,574</u>

Included in accounts payable and accrued liabilities as at December 31, 2022 was \$27,270 (March 31, 2022 – \$74,862) owed to an officer of the Company.

**12. 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:

	December 31, 2022	March 31, 2022
Equipment - Canada	\$ 1,755	\$ 2,264
Exploration and evaluation assets - Canada	4,542,134	2,211,047
Exploration and evaluation assets - USA	<u>\$ 7,685,908</u>	<u>\$ 6,935,416</u>

**13. 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.

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.

**14. 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:



**14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**

- 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 December 31, 2022, the Company had a cash balance of \$1,021,880 to settle current liabilities of \$149,331. 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\$25,383 as of December 31, 2022 (Note 3). A 10% fluctuation in the USD against the CAD would result in an approximate \$3,500 change in profit or loss for the period.

*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.