

**VR RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2017  
(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 quarter ended September 30, 2017 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)

	As at September 30, 2017	As at March 31, 2017
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	\$ 2,396,246	\$ 4,157,167
Receivables (Note 4)	17,654	49,413
Prepaid expenses	9,197	16,000
	<u>2,423,097</u>	<u>4,222,580</u>
<b>Equipment</b> (Note 5)	6,911	3,403
<b>Exploration and evaluation assets</b> (Note 6)	<u>2,564,267</u>	<u>1,329,000</u>
	<u>\$ 4,994,275</u>	<u>\$ 5,554,983</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 195,129</u>	<u>\$ 444,027</u>
<b>Shareholders' equity</b>		
Share capital (Note 8)	8,666,349	8,485,349
Reserves (Note 8)	953,553	836,620
Deficit	(5,058,558)	(4,536,699)
Accumulated other comprehensive income	<u>237,802</u>	<u>325,686</u>
	<u>4,799,146</u>	<u>5,110,956</u>
	<u>\$ 4,994,275</u>	<u>\$ 5,554,983</u>

**Nature of operations and going concern** (Note 1)

**On behalf of the Board  
on November 16, 2017**

“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**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	Three Months Ended Sept. 30, 2017	Three Months Ended Sept. 30, 2016	Six Months Ended Sept. 30, 2017	Six Months Ended Sept. 30, 2016
<b>EXPENSES</b>				
Consulting fees (Note 10)	\$ 12,805	\$ 20,000	\$ 27,511	\$ 35,000
Depreciation (Note 5)	581	-	836	-
Foreign exchange loss	17,177	3,767	40,878	4,243
Investor relations and promotion	32,427	-	67,120	-
Impairment of exploration and evaluation assets (Note 6(f))	7,682	8,643	7,682	8,643
Office	6,567	4,010	14,500	4,441
Professional fees	12,790	11,656	37,785	15,961
Property investigation	-	1,374	-	1,374
Rent	5,100	3,055	10,200	6,462
Salaries (Note 10)	81,897	-	165,884	-
Share-based payments (Note 8,10)	65,064	57,999	116,933	57,999
Regulatory and transfer agent	13,878	-	31,143	-
Travel	6,060	-	10,708	-
	(262,023)	(110,504)	(531,180)	(134,123)
Interest income	5,244	-	9,321	-
<b>Net Loss for the period</b>	<b>(256,779)</b>	<b>(110,504)</b>	<b>(521,859)</b>	<b>(134,123)</b>
<b>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:</b>				
Translation adjustment	(61,376)	9,207	(87,884)	5,898
<b>Loss and comprehensive loss for the period</b>	<b>\$ (318,155)</b>	<b>\$ (101,297)</b>	<b>\$ (609,743)</b>	<b>\$ (128,225)</b>
<b>Loss per common share</b>				
-Basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>				
-Basic and diluted	35,535,113	15,596,251	35,470,526	14,105,550

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

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

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (521,859)	\$ (134,123)
Items not affecting cash:		
Share-based payments	116,933	57,999
Depreciation	836	-
Foreign exchange on reclamation deposit	-	(213)
Impairment of exploration and evaluation assets	-	8,643
Changes in non-cash working capital items:		
Receivables	31,759	(2882)
Prepaid expenses	6,803	(1,710)
Accounts payable and accrued liabilities	(248,898)	(8,529)
Net cash used in operating activities	<u>(614,426)</u>	<u>(80,815)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares, net of share issue cost	<u>-</u>	<u>929,250</u>
Net cash provided by financing activities	<u>-</u>	<u>929,250</u>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(1,142,151)	(184,907)
Equipment	(4,344)	-
Net cash used in investing activities	<u>(1,146,495)</u>	<u>(184,907)</u>
<b>Change in cash during the period</b>	<b>(1,760,921)</b>	<b>663,528</b>
<b>Cash, beginning of period</b>	<b><u>4,157,167</u></b>	<b><u>15,412</u></b>
<b>Cash, end of period</b>	<b><u>\$ 2,396,246</u></b>	<b><u>\$ 678,940</u></b>
<b>Cash paid during the period for:</b>		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

**Supplemental disclosure with respect to cash flows (Note 9)**

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

**VR RESOURCES LTD.**  
**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by management)  
(Expressed in Canadian Dollars)

	Share capital		Reserves	Deficit	Accumulated Other Comprehensive Income	Total
	Number of Shares	Amount				
Balance as at March 31, 2016	12,443,027	\$ 2,750,611	\$ 68,291	\$ (2,421,263)	\$ 312,547	\$ 710,186
Private placement	4,500,001	945,000	-	-	-	945,000
Finders fees'	146,500	(15,750)	-	-	-	(15,750)
Share-based payments	-	-	57,999	-	-	57,999
Translation adjustment	-	-	-	-	5,897	5,897
Loss and comprehensive loss	-	-	-	(134,123)	-	(134,123)
Balance as at September 30, 2016	17,089,528	3,679,861	126,290	(2,555,386)	318,444	1,569,209
Brokered financing	13,333,333	4,000,000	-	-	-	4,000,000
Non-brokered financing	1,382,364	414,709	-	-	-	414,709
Share issue cost - Financing	-	(127,783)	-	-	-	(127,783)
Finders' fees - cash	-	(280,000)	-	-	-	(280,000)
Agents' warrants	-	(146,438)	146,438	-	-	-
Property acquisition	1,500,000	315,000	-	-	-	315,000
Shares of VR Resources Ltd.	2,100,000	630,000	-	-	-	630,000
Share-based payments	-	-	482,960	-	-	482,960
Valuation of stock options on reverse acquisition	-	-	80,932	-	-	80,932
Translation adjustment	-	-	-	(1,981,313)	-	(1,981,313)
Loss and comprehensive loss	-	-	-	-	7,242	7,242
Balance as at March 31, 2017	35,405,225	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

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, 2017

(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.

On March 21, 2017, the Company acquired all the issued and outstanding common shares of Renntiger Resources Ltd. (“Renntiger”) by an Arrangement Agreement (the “Transaction”) by issuing 33,305,225 common shares of Roll-Up. Because of the Transaction, Renntiger obtained a majority interest of the issued and outstanding shares of Roll-Up which constituted a reverse acquisition of Roll-Up by Renntiger, (the “Reverse Acquisition”) for accounting purposes with Renntiger being identified as the accounting acquirer, and accordingly, the Company is considered a continuation of Renntiger.

As at September 30, 2017, the Company has a working capital of \$2,227,968 and an accumulated deficit of \$5,056,850. 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 do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

#### **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 consolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2017, 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, 2017 are not necessarily indicative of the results that may be expected for the year ending March 31, 2018.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as held-for-trading, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting. These condensed consolidated interim financial statements are prepared 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.

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

SEPTEMBER 30, 2017

(Unaudited - Expressed in Canadian Dollars)

**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.

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, 2017. 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. Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and/or liabilities within the next financial year and are disclosed in the Company's annual audited consolidated financial statements for the year ended March 31, 2017. There have been no changes to the Company's critical accounting estimates and judgments during the six months ended September 30, 2017.

**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 9 *Financial Instruments*: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- 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 15 *Revenue from Contracts with Customers*: New standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue — Barter Transactions Involving Advertising Services, effective for annual periods beginning on or after January 1, 2018

**3. CASH AND CASH EQUIVALENTS**

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

	September 30, 2017	March 31, 2017
Cash held in CAD	\$ 255,367	\$ 827,259
Cash equivalents in CAD	1,500,000	2,000,000
Cash held in USD	640,879	1,329,908
Total	\$ 2,396,246	\$ 4,157,167

**4. RECEIVABLES**

Receivables consist of GST 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 approximate their carrying value.

**VR RESOURCES LTD.**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

(Unaudited - Expressed in Canadian Dollars)

**5. EQUIPMENT**

	Computer Equipment
<b>Cost:</b>	
Balance at March 31, 2017	\$ 3,913
Additions	4,344
<b>Balance at September 30, 2017</b>	<b>\$ 8,257</b>
<b>Accumulated Depreciation:</b>	
Balance at March 31, 2017	\$ 510
Depreciation	836
<b>Balance at September 30, 2017</b>	<b>\$ 1,346</b>
<b>Net Book Value:</b>	
<b>Balance at September 30, 2017</b>	<b>\$ 6,911</b>

**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 of 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 staked the Bonita property in Humboldt County, Nevada, USA, in September 2014. The Company owns the property 100%, with no underlying third-party payments, interests or royalties. Upon initiation of a diamond drill program within the area of interest, the Company issued 450,000 common shares with a fair value of \$148,250 to the party that introduced the Company to the project concept, the second such share issuance as per an agreement between the two parties dated May 28, 2014. There are no further obligations to either party and the agreement no longer has effect; .

**b) Danbo – Nevada USA**

The Company owns a 100% interest in the Danbo property, located in Nye County, Nevada, USA. There are no underlying third-party payments or interests, and there is a 3% net smelter returns royalty on 8 claims in the central portion of the 28 claim property (single, contiguous block).

**c) Big Creek – Nevada USA**

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

**VR RESOURCES LTD.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

(Unaudited - Expressed in Canadian Dollars)

---

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

**d) Junction - Nevada USA**

The Company entered into an option to purchase agreement to earn a 100% interest in the Junction property located in Humboldt County, Nevada, USA, in September 2017. To acquire the Junction property the company will pay \$US10,000 (paid) and issue 100,000 common shares as follows;

- 50,000 common shares on closing (issued) with a fair value of \$16,250,
- 50,000 common shares if the Company completes a first-pass drill program on the property within 18 months of the date of the agreement, with the option to return the property to the vendor prior to the 18-month option period to drill, and not issue the shares.

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 \$US500,000 per half a percent.

**e) New Boston – Nevada USA**

The Company entered into an option to purchase agreement to earn a 100% interest in the New Boston property located in Mineral County, Nevada, USA, in September 2017. To acquire the New Boston property the company will pay \$US10,000 (paid) and issue 100,000 common shares as follows;

- 50,000 common shares on closing (issued) with a fair value of \$16,250,
- 50,000 common shares if the Company completes a first-pass drill program on the property within 18 months of the date of the agreement, with the option to return the property to the vendor prior to the end of the 18-month option period to drill, and not issue the 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 \$US500,000 per half a percent.

**f) Yellow Peak – Nevada USA**

Yellow Peak is a 100% owned gold exploration 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, 2017 the Company recorded an impairment loss of \$7,682 (2016 - \$8,643) on expenditures.

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

SEPTEMBER 30, 2017

(Unaudited - Expressed in Canadian Dollars)

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

	<b>Big Creek</b>	<b>Bonita</b>	<b>Danbo</b>	<b>Junction</b>	<b>New Boston</b>	<b>Total</b>
<b>Acquisition costs</b>						
Balance, March 31, 2017	\$ -	\$ 627,724	\$ 315,000	\$ -	\$ -	\$ 942,724
Land administration	-	42,839	6,177	-	-	49,016
Cash	-	-	-	12,990	12,990	25,980
Staking fees	23,621	119,772	-	-	28,249	171,642
Shares issued	-	148,500	-	16,250	16,250	181,000
Translation adjustment	(927)	(25,643)	(243)	(510)	(1,619)	(28,942)
	22,694	285,468	5,934	28,730	55,870	398,696
Balance, September 30, 2017	\$ 22,694	\$ 913,192	\$ 320,934	\$ 28,730	\$ 55,870	\$ 1,341,420
<b>Deferred exploration costs</b>						
Balance, March 31, 2017	\$ -	\$ 382,180	\$ 4,096	\$ -	\$ -	\$ 386,276
Assays	-	-	14,419	-	-	14,419
Drilling	-	522,944	-	-	-	522,944
Field	2,181	47,884	-	6,914	-	56,979
Geological	-	26,593	-	-	-	26,593
Geophysical	-	217,569	-	-	-	217,569
Geochemistry	30,397	26,260	352	-	-	57,009
Translation adjustment	(1,279)	(56,560)	(832)	(271)	-	(58,942)
	31,299	784,690	113,939	6,643	-	836,571
Balance, September 30, 2017	\$ 31,299	\$ 1,166,870	\$ 18,035	\$ 6,643	\$ -	\$ 1,222,847
<b>Balance, September 30, 2017</b>	<b>\$ 53,993</b>	<b>\$ 2,080,062</b>	<b>\$ 338,969</b>	<b>\$ 35,373</b>	<b>\$ 55,870</b>	<b>\$ 2,564,267</b>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>September 30, 2017</b>	<b>March 31, 2017</b>
Trade Payables	\$ 185,198	\$ 412,240
Accrued Liabilities	10,000	31,787
	\$ 195,198	\$ 444,027

**8. SHARE CAPITAL AND RESERVES**

Authorized – Unlimited common shares without par value

During the period ended September 30, 2017 the Company issued 550,000 common shares for the acquisition of mineral properties at a fair value of \$181,000.

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

SEPTEMBER 30, 2017

(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, 2017, 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
250,000	\$0.05	August 28, 2018	0.91
300,000	\$0.21	June 28, 2018	0.75
105,000	\$0.30	March 21, 2018	0.47
105,000	\$0.30	March 21, 2027	9.48
1,790,000	\$0.30	March 21, 2027	9.48
250,000	\$0.30	May 16, 2027	9.66
300,000	\$0.30	August 28, 2027	9.92
<u>3,100,000</u>			<u>7.70</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
Expired	<u>(50,000)</u>	<u>0.30</u>
As at September 30, 2017	<u>3,100,000</u>	<u>\$ 0.27</u>
Number of options currently exercisable	<u>3,100,000</u>	<u>\$ 0.27</u>

During the period ended September 30, 2017, the Company recognized share-based payments expense of \$116,933 (September 30, 2016 - \$57,999), regarding the vesting of stock options granted.

**VR RESOURCES LTD.**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

(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, 2017	March 31, 2017
Risk-free interest rate	1.87%	1.45%
Expected life of options	10.0	8.26
Annualized volatility	100%	150%
Dividend rate	0%	0%
Weighted average fair value per option granted	\$ 0.22	\$ 0.23

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
933,334	\$ 0.30	March 19, 2019
7,357,849	\$ 0.30	March 21, 2019
8,291,183		

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

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.

There were no significant non-cash investing or financing transactions during the period ended September 30, 2016.

**10. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. 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:

	2017	2016
<b>Short-term benefits paid or accrued:</b>		
Consulting fees	\$ 18,000	\$ 2,500
Salaries	96,000	-
	114,000	2,500
<b>Share-based payments:</b>		
Share-based payments	-	30,748
<b>Total remuneration</b>	<b>\$ 114,000</b>	<b>\$ 33,248</b>

The Company has an arrangement with Balmoral Resources Ltd. ("Balmoral"), a Company with a common director, to provide office space and corporate compliance staff support. During the period ended September 30, 2017 the Company paid to Balmoral \$19,710 (2016 - \$Nil) for office rent and corporate compliance.

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

SEPTEMBER 30, 2017

(Unaudited - Expressed in Canadian Dollars)

**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, 2017		March 31, 2017	
Equipment - Canada	\$	6,911	\$	3,403
Exploration and evaluation assets - USA	\$	2,564,267	\$	1,329,000

**12. CAPITAL MANAGEMENT**

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

The Company manages its capital structure and makes adjustments to 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.

**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 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 is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. The Company considers the credit risk of receivables to

**VR RESOURCES LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2017**

(Unaudited - Expressed in Canadian Dollars)

---

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

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, 2017, the Company had a cash balance of \$2,396,246 to settle current liabilities of \$195,129. 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\$513,525 as of September 30, 2017 (Note 3).

*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.