

VR RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended December 31, 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 December 31, 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 December 31, 2017	As at March 31, 2017
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 1,411,720	\$ 4,157,167
Receivables (Note 4)	16,889	49,413
Prepaid expenses	6,723	16,000
	<u>1,435,332</u>	<u>4,222,580</u>
Equipment (Note 5)	6,493	3,403
Exploration and evaluation assets (Note 6)	<u>3,203,810</u>	<u>1,329,000</u>
	<u>\$ 4,645,635</u>	<u>\$ 5,554,983</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 73,486</u>	<u>\$ 444,027</u>
Shareholders' equity		
Share capital (Note 8)	8,666,349	8,485,349
Reserves (Note 8)	953,553	836,620
Deficit	(5,273,148)	(4,536,699)
Accumulated other comprehensive income	<u>225,395</u>	<u>325,686</u>
	<u>4,572,149</u>	<u>5,110,956</u>
	<u>\$ 4,645,635</u>	<u>\$ 5,554,983</u>

Nature of operations and going concern (Note 1)

**On behalf of the Board
on February 15, 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**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	Three Months Ended Dec. 31, 2017	Three Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2017	Nine Months Ended Dec. 31, 2016
EXPENSES				
Consulting fees (Note 10)	\$ 16,608	\$ 10,000	\$ 44,119	\$ 45,000
Depreciation (Note 5)	418	-	1,254	-
Foreign exchange (gain) loss	(16,363)	2,580	24,515	6,823
Investor relations and promotion	37,103	-	104,223	-
Impairment of exploration and evaluation assets (Note 6(f))	-	14,548	7,682	23,191
Office	5,856	2,202	20,356	6,643
Professional fees	43,689	38,733	81,474	54,694
Property investigation	-	4,025	-	5,399
Rent	5,100	3,400	15,300	9,862
Salaries (Note 10)	116,345	25,256	282,229	25,256
Share-based payments (Note 8,10)	-	-	116,933	57,999
Regulatory and transfer agent	5,521	-	36,664	-
Travel	4,036	10,963	14,744	10,962
	(218,313)	(111,707)	(749,493)	(245,829)
Interest income	3,723	-	13,044	-
Net Loss for the period	(214,590)	(111,707)	(736,449)	(245,829)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:				
Translation adjustment	(12,407)	14,535	(100,291)	20,432
Loss and comprehensive loss for the period	\$ (226,997)	\$ (91,172)	\$ (836,740)	\$ (225,397)
Loss per common share				
-Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding				
-Basic and diluted	35,955,222	17,619,419	35,632,680	15,458,372

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 NINE-MONTH PERIODS ENDED DECEMBER 31
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

	2017	2016
OPERATING ACTIVITIES		
Loss for the period	\$ (736,449)	\$ (245,829)
Items not affecting cash:		
Share-based payments	116,933	57,999
Depreciation	1,254	-
Foreign exchange on reclamation deposit	-	(648)
Impairment of exploration and evaluation assets	-	23,191
Changes in non-cash working capital items:		
Receivables	32,524	(13,386)
Prepaid expenses	9,277	(460)
Accounts payable and accrued liabilities	(213,120)	151,388
Deferred listing costs	-	(150,452)
Net cash used in operating activities	<u>(789,581)</u>	<u>(178,197)</u>
FINANCING ACTIVITIES		
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>
INVESTING ACTIVITIES		
Exploration and evaluation assets	(1,951,522)	(305,112)
Equipment	<u>(4,344)</u>	<u>(2,226)</u>
Net cash used in investing activities	<u>(1,955,866)</u>	<u>(307,338)</u>
Change in cash during the period	(2,745,447)	443,715
Cash, beginning of period	<u>4,157,167</u>	<u>15,412</u>
Cash, end of period	<u>\$ 1,411,720</u>	<u>\$ 459,127</u>
Cash paid during the period for:		
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)
Property acquisition	1,500,000	315,000	-	-	-	315,000
Share-based payments	-	-	57,999	-	-	57,999
Translation adjustment	-	-	-	-	20,432	20,432
Loss and comprehensive loss	-	-	-	(245,830)	-	(245,830)
Balance as at December 31, 2016	18,589,528	3,994,861	126,290	(2,667,093)	332,979	1,787,037
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	-	-	-
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	-	-	-	(1,869,606)	-	(1,869,606)
Loss and comprehensive loss	-	-	-	-	(7,293)	(7,293)
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	-	-	-	-	(100,291)	(100,291)
Loss and comprehensive loss	-	-	-	(736,449)	-	(736,449)
Balance as at December 31, 2017	35,955,225	\$ 8,666,349	\$ 953,553	\$ (5,273,148)	\$ 225,395	\$ 4,572,149

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, 2017

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

VR Resources Ltd., formerly 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”) via 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 December 31, 2017, the Company has a working capital of \$1,361,846 and an accumulated deficit of \$5,273,148. 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 definition and 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 nine month period ended December 31, 2017 are not necessarily indicative of the results that may be expected for the year ending March 31, 2018.

The Board of Directors of the Company approved the condensed consolidated interim financial statements on February 15, 2018.

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

DECEMBER 31, 2017

(Unaudited - 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 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.

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 nine months ended December 31, 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:

	December 31, 2017	March 31, 2017
Cash held in CAD	\$ 77,884	\$ 827,259
Cash equivalents in CAD	1,000,000	2,000,000
Cash held in USD	333,836	1,329,908
Total	\$ 1,411,720	\$ 4,157,167

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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 approximates their carrying value.

5. EQUIPMENT

	Computer Equipment
Cost:	
Balance at March 31, 2017	\$ 3,913
Additions	4,344
Balance at December 31, 2017	\$ 8,257
Accumulated Depreciation:	
Balance at March 31, 2017	\$ 510
Depreciation	1,254
Balance at December 31, 2017	\$ 1,764
Net Book Value:	
Balance at December 31, 2017	\$ 6,493

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, registered to the Company's wholly-owned, Nevada-registered US subsidiary Renntiger Resources USA Ltd. The property consists of 38 claims covering 254 hectares in one contiguous block, and is located in Nye County, Nevada, USA. It is located on federal land, within the Toiyabe National Forest, and managed by the federal Forest Service. There is no privately-owned land within the property. There are no underlying annual lease payments on the property, nor are there any joint venture or carried interests on the property. There is a 3% net smelter returns royalty on 8 core claims in the central portion of the property, with a buy-down provision (option), to purchase one half of the royalty (1.5 %) for US\$ 3,000,000.

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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

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.

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 US\$10,000 (paid) and 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 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 US\$500,000 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 US\$10,000 (paid) and 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 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 US\$500,000 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 December 31, 2017 the Company recorded an impairment loss of \$7,682 (2016 - \$23,191) on expenditures.

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

DECEMBER 31, 2017

(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, 2017	\$ -	\$ 627,724	\$ 315,000	\$ -	\$ -	\$ 942,724
Land administration	-	42,820	6,174	4,239	-	53,233
Cash	-	-	-	12,984	12,984	25,968
Staking fees	23,610	119,716	-	18,041	46,348	207,715
Shares issued	-	148,500	-	16,250	16,250	181,000
Translation adjustment	(798)	(23,226)	(209)	(1,192)	(2,006)	(27,431)
	22,812	287,810	5,965	50,322	73,576	440,485
Balance, December 31, 2017	\$ 22,812	\$ 915,534	\$ 320,965	\$ 50,322	\$ 73,576	\$ 1,383,209
Deferred exploration costs						
Balance, March 31, 2017	\$ -	\$ 382,180	\$ 4,096	\$ -	\$ -	\$ 386,276
Assays	-	-	14,412	-	-	14,412
Drilling	-	1,017,392	-	-	-	1,017,392
Field	3,334	69,630	-	15,657	-	88,621
Geological	-	29,358	-	-	-	29,358
Geophysical	-	217,333	-	-	-	217,333
Geochemistry	30,383	76,086	7,156	26,442	-	140,067
Translation adjustment	(1,140)	(69,334)	(961)	(1,423)	-	(72,858)
	32,577	1,340,465	20,607	40,676	-	1,434,325
Balance, December 31, 2017	\$ 32,577	\$ 1,722,645	\$ 24,703	\$ 40,676	\$ -	\$ 1,820,601
Balance, December 31, 2017	\$ 55,389	\$ 2,638,179	\$ 345,668	\$ 90,998	\$ 73,576	\$ 3,203,810

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	March 31, 2017
Trade Payables	\$ 55,486	\$ 412,240
Accrued Liabilities	18,000	31,787
	\$ 73,486	\$ 444,027

8. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the period ended December 31, 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

DECEMBER 31, 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 December 31, 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	0.66
300,000	\$0.21	June 28, 2018	0.49
105,000	\$0.30	March 21, 2018	0.22
105,000	\$0.30	March 21, 2027	9.23
1,790,000	\$0.30	March 21, 2027	9.23
250,000	\$0.30	May 16, 2027	9.41
300,000	\$0.30	August 28, 2027	9.67
<u>3,100,000</u>			<u>7.44</u>

(*) 150,000 stock options were exercised for proceeds of \$7,500 (Note 14).

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>0.45</u>
As at December 31, 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 December 31, 2017, the Company recognized share-based payments expense of \$116,933 (December 31, 2016 - \$57,999), regarding the vesting of stock options granted.

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

DECEMBER 31, 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:

	December 31, 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	\$ 0.30	\$ 0.23

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
933,334	\$ 0.30	March 19, 2019
7,357,849	\$ 0.60	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 December 31, 2017, consisted of the following:

- Issued 550,000 common shares with a fair value of \$181,000 for the acquisition of mineral properties; and
- Accrued \$20,516 (March 31, 2017 - \$1,717) of exploration and evaluation assets in accounts payable and accrued liabilities.

Significant non-cash investing or financing transactions during the period ended December 31, 2016 consisted of the following:

- Issued 146,500 common shares with a fair value of \$30,765 as a finder's fee for private placements; and
- Issued 1,500,000 common shares with a fair value of \$315,000 for the Danbo property acquisition.

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 December 31, were:

	2017	2016
Short-term benefits paid or accrued:		
Consulting fees	\$ 27,000	\$ 5,000
Salaries	144,000	25,256
	171,000	30,256
Share-based payments:		
Share-based payments	-	30,748
Total remuneration	\$ 171,000	\$ 61,004

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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 December 31, 2017 the Company paid to Balmoral \$32,418 (2016 - \$Nil) for office rent and corporate compliance.

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:

	December 31, 2017		March 31, 2017	
Equipment - Canada	\$	6,493	\$	3,403
Exploration and evaluation assets - USA	\$	3,203,810	\$	1,329,000

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.

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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

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 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, 2017, the Company had a cash balance of \$1,411,720 to settle current liabilities of \$73,486. 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\$266,111 as of December 31, 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.

14. EVENTS SUBSEQUENT TO DECEMBER 31, 2017

The Company had 150,000 stock options exercised at \$0.05 per share for gross proceeds of \$7,500.