

VR RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended December 31, 2020
(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 third quarter ended December 31, 2020 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, 2020

	December 31, 2020	March 31, 2020
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 1,983,809	\$ 1,468,651
Receivables (Note 4)	61,381	113,693
Prepaid expenses	17,610	22,175
	<u>2,062,800</u>	<u>1,604,519</u>
Equipment (Note 5)	3,581	4,620
Exploration and evaluation assets (Note 6)	<u>7,741,304</u>	<u>6,695,296</u>
	<u>\$ 9,807,685</u>	<u>\$ 8,304,435</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 55,537</u>	<u>\$ 74,062</u>
Shareholders' equity		
Share capital (Note 8)	16,600,898	14,192,733
Reserves (Note 8)	1,991,247	1,715,719
Deficit	(9,074,963)	(8,361,817)
Accumulated other comprehensive income	<u>234,966</u>	<u>683,738</u>
	<u>9,752,148</u>	<u>8,230,373</u>
	<u>\$ 9,807,685</u>	<u>\$ 8,304,435</u>

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

**On behalf of the Board
on February 19, 2021**

“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 NINE-MONTH PERIODS ENDED DECEMBER 31**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	Three Months Ended Dec. 31, 2020	Three Months Ended Dec. 31, 2019	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019
EXPENSES				
Consulting fees (Note 10)	\$ 6,000	\$ 15,108	\$ 42,500	\$ 49,391
Depreciation (Note 5)	346	495	1,039	1,485
Foreign exchange (gain) loss	10,252	9,716	47,650	14,665
Investor relations and promotion	11,259	35,635	38,021	77,435
Impairment of exploration and evaluation assets	-	-	11,111	-
Office	13,321	10,194	36,224	25,128
Professional fees	9,415	12,288	53,030	47,034
Rent	3,859	11,323	16,911	33,696
Salaries (Note 10)	72,350	60,731	192,188	189,694
Share-based payments (Note 8,10)	-	-	254,442	352,186
Regulatory and transfer agent	8,150	1,002	35,146	21,699
Travel	89	3,742	133	9,119
	(135,041)	(160,234)	(728,395)	(821,532)
Interest income	3,991	4,258	15,249	5,788
Net Gain (loss) for the period	(131,050)	(155,976)	(713,146)	(815,532)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Translation adjustment	(199,194)	(91,502)	(448,772)	(131,852)
Gain (loss) and comprehensive loss for the period	\$ (330,244)	\$ (247,478)	\$ (1,161,918)	\$ (947,596)
Gain (loss) per common share				
-Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding				
-Basic and diluted	71,499,735	58,563,819	68,720,212	54,539,462

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

	2020	2019
OPERATING ACTIVITIES		
Loss for the period	\$ (713,146)	\$ (815,744)
Items not affecting cash:		
Share-based payments	254,442	352,186
Depreciation	1,039	1,485
Changes in non-cash working capital items:		
Receivables	52,312	(56,686)
Prepaid expenses	4,565	(14,654)
Accounts payable and accrued liabilities	(14,270)	10,620
Net cash used in operating activities	<u>(415,058)</u>	<u>(522,793)</u>
FINANCING ACTIVITIES		
Proceeds from the issuance of shares, net of share issue cost	<u>2,342,375</u>	<u>2,938,880</u>
Net cash provided by financing activities	<u>2,342,375</u>	<u>2,938,880</u>
INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>(1,412,159)</u>	<u>(1,393,799)</u>
Net cash used in investing activities	<u>(1,412,159)</u>	<u>(1,393,799)</u>
Change in cash during the period	515,158	1,022,288
Cash, beginning of period	<u>1,468,651</u>	<u>1,240,735</u>
Cash, end of period	<u>\$ 1,983,809</u>	<u>\$ 2,263,023</u>
Cash paid during the period for:		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 9)

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Share Compensation Reserve	Accumulated Comprehensive Income	Deficit	Total
	Number of Shares	Amount				
Balance, March 31, 2019	47,392,257	\$ 11,496,905	\$ 1,342,496	\$ 436,520	(6,765,615)	\$ 6,510,306
Shares issued for cash:						
Private placement	13,325,544	2,905,975	-	-	-	2,905,975
Share issue costs	-	(189,110)	-	-	-	(189,110)
Shares issued for non-cash:						
Finder's fees – warrants issued	-	(21,037)	21,037	-	-	-
Translation adjustment	-	-	-	(131,852)	-	(131,852)
Share-based compensation	-	-	352,186	-	-	352,186
Loss for the year	-	-	-	-	(815,744)	(815,744)
Balance, December 31, 2019	60,717,801	14,192,733	\$ 1,715,719	\$ 304,668	(7,581,359)	\$ 8,631,761
Translation adjustment	-	-	-	379,070	-	379,070
Loss for the year	-	-	-	-	(780,458)	(780,458)
Balance, March 31, 2020	60,717,801	\$ 14,192,733	\$ 1,715,719	\$ 683,738	(8,361,817)	\$ 8,230,373
Shares issued for cash:						
Private placement	10,306,321	2,293,223	-	-	-	2,293,223
Exercise of warrants	443,942	110,986	-	-	-	110,986
Share issue costs	-	(61,833)	-	-	-	(61,833)
Shares issued for non-cash:						
Finder's fees – warrants issued	-	(21,086)	21,086	-	-	-
Property acquisition	275,000	86,875	-	-	-	86,875
Translation adjustment	-	-	-	(448,772)	-	(448,772)
Share-based compensation	-	-	254,442	-	-	254,442
Loss for the year	-	-	-	-	(713,146)	(713,146)
Balance, December 31, 2020	71,743,064	\$ 16,600,898	\$ 1,991,247	\$ 234,966	(9,074,963)	\$ 9,752,148

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, 2020

(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 1177 West Hastings Street, Suite 2300, Vancouver, BC, V6E 2K3. 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, 2020, the Company has a working capital of \$2,007,263 and an accumulated deficit of \$9,074,963. 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 addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company’s operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may affect resource prices, share prices and financial liquidity and thereby severely limit the financing capital available in the mineral exploration sector.

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, 2020, 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, 2020 are not necessarily indicative of the results that may be expected for the year ending March 31, 2021.

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

December 31, 2020

(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. The following have been adopted by the Company:

- **New Interpretation IFRIC 23 - *Uncertainty over Income Tax Treatments*:** On June 7, 2017, the IASB issued IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments (“IFRIC 23”). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. There was no impact to the Company’s condensed consolidated interim financial statements as a result of adopting this new standard.

3. CASH AND CASH EQUIVALENTS

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

	December 31, 2020	March 31, 2020
Cash held in CAD	\$ 71,993	\$ 225,489
Cash equivalents in CAD	1,790,178	700,000
Cash held in USD	121,603	543,162
Total	\$ 1,983,774	\$ 1,468,651

4. RECEIVABLES

Receivables consist of GST receivable of \$55,299 (March 31, 2020 - \$4,546), other receivable of \$6,082 (March 31, 2020 - \$14,378), relating to accrued interest on term deposits and reclamation bond on the Junction property of \$Nil (March 31, 2020 - \$27,124). 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, 2020 and March 31, 2020. Due to their short-term maturities, the fair value of receivables approximates their carrying value.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

5. EQUIPMENT

		Computer Equipment
Cost:		
Balance at March 31, 2020	\$	11,020
Additions		-
Balance at December 31, 2020	\$	11,020
Accumulated Depreciation:		
Balance at March 31, 2020	\$	6,400
Depreciation		1,039
Balance at December 31, 2019	\$	7,439
Net Book Value:		
Balance at March 31, 2020	\$	4,620
Balance at December 31, 2020	\$	3,581

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 (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 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. As consideration, the Company issued 1,500,000 common shares of the Company with a fair value of \$315,000, during the year ended March 31, 2017. The property is also subject to a 3% net smelter returns royalty.

Amsel Property

The Company entered into an option to purchase agreement in 2018 to earn a 100% interest in the Amsel property located in Nye County, Nevada, USA. To acquire the Amsel property the Company will pay US\$60,000 and issue 100,000 common shares as follows:

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

December 31, 2020

(Expressed in Canadian Dollars)

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

- US\$50,000 on the first business day following commencement of a drill program on the property.

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

Clipper Property

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

c) Junction – Nevada, USA

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

- 50,000 common shares on closing (issued during year ended March 31, 2018) with a fair value of \$16,250; and
- 50,000 common shares if the Company completes a first-pass drill program on the property (issued, fair value of \$9,750).

The Company currently owns the property outright. Going forward, the Company is 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 on certain claims, and the Company has the right to buy down up to one-half of the royalty for US\$500,000 per half a percent.

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

- 50,000 common shares on closing (issued, fair value of \$14,500); and
- 50,000 common shares due within 5 business days of the Company commencing a drill program on the property (issued, fair value of \$11,000).

The Company currently owns a 100% interest in the property which is subject to a 3% net smelter returns royalty. The Company has the right to buy down 1.5% of the royalty for US\$1,500,000.

During the year end March 31, 2020, the Company determined that the carrying value of its interest in the Junction property was impaired because no additional expenditures are planned for the property. The Company incurred acquisition and exploration expenditures on the property of \$801,453 and accordingly wrote-off these costs as impairment of exploration and evaluation assets.

d) New Boston – Nevada, USA

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

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

December 31, 2020

(Expressed in Canadian Dollars)

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

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

During the year end March 31, 2020, the Company determined that the carrying value of its interest in the New Boston property was impaired because no additional expenditures, at this time, are planned for the property. The Company incurred acquisition and land maintenance expenditures on the property of \$84,454 and accordingly wrote-off these costs as impairment of exploration and evaluation assets.

e) Ranoke Property, Ontario, Canada

The Company acquired the Ranoke property directly by staking in April 2019. It consists of 365 claims in one contiguous block. The property is owned 100% by the Company, free and clear of any interests or royalties. The claims are in good standing through April 2022.

f) Hecla-Kilmer Property, Ontario, Canada

During the period ended June 30, 2020 the Company entered into an option to purchase agreement to earn a 100% interest in the Hecla-Kilmer property located in Ontario, Canada. To acquire the property, the Company will pay \$15,000 (paid) and issue 75,000 common shares(issued). The Company commences a drill program and an additional payment of \$75,000 (paid) and the issuance of additional 100,000 (issued) common shares.

The property is subject to a 3% net smelter returns royalty and the Company has the right to buy down 1.5% of the royalty for \$500,000 for each 0.5% for a maximum cost of \$1,500,000.

g) Reveille Property, Nevada, U.S.A.

During the period ended June 30, 2020 the Company entered into an option to purchase agreement to earn a 100% interest in the Reveille property located in Nevada, U.S.A. To acquire the property, the Company will pay US\$20,000 (paid) and issue 100,000 common shares (issued). If the Company commences a drill program an additional payment of US\$50,000 and the issuance of additional 100,000 common shares are required.

The property is subject to a 3% net smelter returns royalty and the Company has the right to buy down 1.5% of the royalty for \$500,000 for each 0.5% for a maximum cost of \$1,500,000.

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

December 31, 2020

(Expressed in Canadian Dollars)

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

	Ranoke	Hecla-Kilmer	Bonita	Danbo	Reveille	Total
Acquisition costs						
Balance, March 31, 2019	\$ 14,750	\$ -	\$ 1,505,145	\$ 107,988	\$ -	\$ 1,627,883
Staking fees	-	7,200	1,116	-	33,133	41,449
Cash	-	65,000	-	-	-	65,000
Shares issued	-	55,875	-	-	31,000	86,875
Land administration	-	-	21,966	35,564	26,423	83,953
Translation adjustment	-	-	(75,241)	(10,166)	(1,849)	(87,256)
	-	128,075	(52,159)	25,398	88,707	190,021
Balance, December 31, 2020	\$ 14,750	\$ 128,075	\$ 1,452,986	\$ 133,386	\$ 88,707	\$ 1,817,904
Deferred exploration costs						
Balance, March 31, 2020	\$ 1,656,933	\$ -	\$ 2,990,212	\$ 420,268	\$ -	\$ 5,067,413
Drilling	-	426,905	-	-	-	426,905
Field	19,055	95,711	1,213	7,979	6,096	130,054
Geochemistry	-	76,685	-	567	7,412	84,664
Geological	10,997	80,886	938	16,640	80,391	189,852
Geophysical	-	128,693	-	-	181,490	310,183
Permitting	-	-	-	75,846	-	75,846
Translation adjustment	-	-	(306,727)	(46,239)	(8,551)	(361,517)
	30,052	808,880	(304,576)	54,793	266,838	855,987
Balance, December 31, 2020	\$ 1,686,985	\$ 808,880	\$ 2,685,636	\$ 475,061	\$ 266,838	\$ 5,923,400
Balance, December 31, 2020	\$ 1,701,735	\$ 936,955	\$ 4,138,622	\$ 608,447	\$ 355,545	\$ 7,741,304

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

December 31, 2020

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2020	March 31, 2020
Trade Payables	\$ 32,301	\$ 44,062
Accrued Liabilities	23,236	30,000
	\$ 55,537	\$ 74,062

8. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the quarter ended December 31, 2020

- The Company completed a private placement of 9,014,654 units at a price of \$0.22 per unit and a flow-through private placement of 1,291,667 common shares at a price of \$0.24 per share for gross proceeds of \$2,293,223. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.35 to December 8, 2021 (3,207,322) and December 10, 2021 (1,300,000). The Company paid a cash finder’s fee of \$42,582 and issued 177,193 agent warrants valued at \$21,086. Each broker warrant is exercisable at \$0.35 to December 8, 2021.
- The company issued 443,942 common shares on the exercise of warrants for proceeds of \$110,986.

During fiscal 2020:

- The Company completed a flow-through private placement of 4,403,334 common shares at a price of \$0.15 per share for gross proceeds of \$660,500. The Company paid a cash finder’s fee of \$36,637 and issued 200,000 agent warrants valued at \$6,113. Each broker warrant is exercisable at \$0.25 to November 16, 2020. The Company incurred share issue costs of \$5,168. As at March 31, 2020 all qualified expenditures have been spent.
- The Company completed a private placement of 1,715,385 units at a price of \$0.13 per share for gross proceeds of \$223,000. The Company paid a finder’s fee of \$6,260. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.25 to December 27, 2020.
- The Company completed a private placement of 2,200,000 units at a price of \$0.22 per share for gross proceeds of \$484,000. The Company paid a finder’s fee of \$7,332 and share issue costs of \$3,179. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.40 to February 14, 2021.
- The Company completed a flow-through private placement of 1,999,998 common shares at a price of \$0.38 per share for gross proceeds of \$760,000. A flow-through premium liability of \$220,000 was allocated to the flow-through obligation of this private placement, and the remainder of proceed were allocated to share capital. The Company paid a cash finder’s fee of \$30,000 and issued 78,947 agent warrants valued at \$6,684. Each broker warrant is exercisable at \$0.50 to November 16, 2020. As at March 31, 2020 all qualified expenditures have been spent. The flow-through premium was fully amortized to the statements of net loss and comprehensive loss for the year ended March 31, 2020, as other income – flow-through.

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

December 31, 2020

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd)

- The Company completed a private placement of 1,523,333 units at a price of \$0.30 per share for gross proceeds of \$457,000. The Company paid a finder's fee of \$24,900 and issued 83,000 agent warrants valued at \$8,240. Each agent warrant is exercisable at \$0.50 to April 24, 2021. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.50 to April 24, 2021.
- The Company completed a flow-through private placement of 1,483,494 common shares at a price of \$0.365 per share for gross proceeds of \$541,475. The Company paid a cash finder's fee of \$36,152 and incurred share issue costs of \$39,482. The Company intends to fulfil its flow-through commitments within the given time constraints. As of March 31, 2020, the Company has spent \$236,434 on qualified expenditures.

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, 2020, 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	6.22
1,790,000	\$0.30	March 21, 2027	6.22
250,000	\$0.30	May 16, 2027	6.38
1,350,000	\$0.30	April 13, 2028	7.29
200,000	\$0.35	July 6, 2028	7.52
40,000	\$0.25	October 2, 2028	7.76
975,000	\$0.28	August 14, 2029	8.62
300,000	\$0.30	September 9, 2029	8.70
900,000	\$0.28	June 10, 2025	9.45
150,000	\$0.30	August 27, 2025	4.66
6,060,000			7.35

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

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at March 31, 2019	3,735,000	\$ 0.30
Granted	1,300,000	0.28
As at March 31, 2020	5,035,000	\$ 0.30
Expired	25,000	0.28
Granted	1,050,000	0.28
As at December 31, 2020	6,060,000	\$ 0.30

During the period ended December 31, 2020, the Company recognized share-based payments expense of \$254,442 (2019 - \$Nil), regarding 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, 2020	March 31, 2020
Risk-free interest rate	0.55%	1.19%
Expected life of options	9.29	10.0
Annualized volatility	100	100%
Dividend rate	0%	0%
Weighted average fair value per option granted	\$ 0.28	\$ 0.28

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8. 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:

	Number of Warrants	Weighted Average Exercise Price
As at March 31, 2019	5,312,963	\$ 0.40
Agents' warrants issued	361,947	\$ 0.36
Warrants issued in private placement	2,719,358	\$ 0.38
Warrants expired	(4,015,000)	\$ 0.40
As at March 31, 2020	4,379,268	\$ 0.38
Agents' warrants issued	177,193	\$ 0.35
Warrants issued in private placement	4,507,322	\$ 0.35
Warrants exercised	(443,942)	\$ 0.25
Warrants expired	(1,911,713)	\$ 0.35
As at December 31, 2020	6,708,128	\$ 0.38

The weighted average remaining contractual life of warrants outstanding at December 31, 2020, was 0.72 (December 31, 2019 – 0.56) years.

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
1,100,000(*)	\$0.40	February 14, 2021
78,947	\$0.50	April 21, 2021
761,666	\$0.50	April 24, 2021
83,000	\$0.50	April 24, 2021
3,384,515	\$0.35	December 8, 2021
1,300,000	\$0.35	December 10, 2021
6,708,128		

(*) Warrants expired unexercised (Note 14).

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended December 31, 2020, consisted of the following:

- Accrued \$30,321 (March 31, 2020 - \$34,575) of exploration and evaluation assets in accounts payable and accrued liabilities.
- Issued 275,000 common shares with a fair value of \$86,875 for the acquisition of exploration and evaluation assets.

Significant non-cash transactions during the period ended December 31, 2019, consisted of the following:

- Accrued \$28,785 (March 31, 2019 - \$19,844) of exploration and evaluation assets in accounts payable and accrued liabilities.

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10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the periods ended December 31, were:

	2020	2019
Short-term benefits paid or accrued:		
Consulting fees	\$ 18,000	\$ 18,000
Salaries	144,000	144,000
	<u>162,000</u>	<u>162,000</u>
Share-based payments:		
Share-based payments	183,223	210,086
	<u>183,223</u>	<u>210,086</u>
Total remuneration	\$ 345,223	\$ 372,086

The Company had an arrangement, to May 31, 2020, with Balmoral Resources Ltd. ("Balmoral"), a Company with a common director, to provide office space and corporate compliance support. During the period ended December 31, 2020 the Company paid to Balmoral \$16,010 (December 30, 2019 - \$69,575) for office rent and other general and administrative expenses. As at December 31, 2020, the Company owed \$Nil (March 31, 2020 - \$7,428) to this company.

11. SEGMENTED INFORMATION

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

	December 31, 2020	March 31, 2020
Equipment - Canada	\$ 3,581	\$ 4,620
Exploration and evaluation assets - Canada	2,638,690	1,671,683
Exploration and evaluation assets - USA	\$ 5,102,614	\$ 5,023,613

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 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, 2020, the Company had a cash balance of \$1,983,809 to settle current liabilities of \$55,537. 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\$95,510 as of December 31, 2020 (Note 3). A 10% fluctuation in the USD against the CAD would result in an approximate \$12,000 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

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

movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

14. SUBSEQUENT EVENT

On January 29, 2021, the Company completed a private placement of 5,134,933 units at a price of \$0.30 per share for gross proceeds of \$1,540,480 and paid a finder's fee of \$68,579. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.45 to July 29, 2022.

On February 14, 2021, 1,100,000 warrants expired unexercised.

On February 12, 2021, the Company announced a non-brokered private placement of 365,854 flow-through shares ("FT Share") at a price of \$0.41 per FT Share for gross proceeds of \$150,000. Closing of the Financing is subject to all regulatory approvals including the approval of the TSX Venture Exchange.