

VR RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2019
(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 first quarter ended September 30, 2019 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 INTERM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)
AS AT

	September 30, 2019	March 31, 2019
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 1,507,055	\$ 1,240,735
Receivables (Note 4)	38,893	18,924
Prepaid expenses	23,155	12,214
	<u>1,569,103</u>	<u>1,271,873</u>
Equipment (Note 5)	5,610	6,600
Exploration and evaluation assets (Note 6)	<u>5,950,437</u>	<u>5,301,948</u>
	<u>\$ 7,525,150</u>	<u>\$ 6,580,421</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 53,852</u>	<u>\$ 70,125</u>
Shareholders' equity		
Share capital (Note 8)	12,799,716	11,496,905
Reserves (Note 8)	1,700,795	1,342,496
Deficit	(7,425,383)	(6,765,625)
Accumulated other comprehensive income	<u>396,170</u>	<u>436,520</u>
	<u>7,471,298</u>	<u>6,510,296</u>
	<u>\$ 7,525,150</u>	<u>\$ 6,580,421</u>

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

**On behalf of the Board
on November 21, 2019**

“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 SIX-MONTH PERIODS ENDED SEPTEMBER 30**

(Unaudited – Prepared by management)

(Expressed in Canadian Dollars)

	Three Months Ended Sept. 30, 2019	Three Months Ended Sept. 30, 2018	Six Months Ended Sept. 30, 2019	Six Months Ended Sept. 30, 2018
EXPENSES				
Consulting fees (Note 10)	\$ 15,681	\$ 25,383	\$ 34,283	\$ 42,623
Depreciation (Note 5)	495	559	990	1,118
Foreign exchange gain (loss)	(8,234)	26,095	4,949	(37,561)
Investor relations and promotion	15,473	36,058	41,800	107,196
Impairment of exploration and evaluation assets (Note 6(a))	-	7,681	-	7,681
Office	7,974	8,994	14,934	18,690
Professional fees	28,303	24,653	34,746	47,002
Rent	11,186	10,684	22,373	21,367
Salaries (Note 10)	54,191	96,640	128,963	193,234
Share-based payments (Note 8,10)	352,186	59,080	352,186	436,052
Regulatory and transfer agent	14,952	5,691	20,697	15,488
Travel	-	767	5,377	12,281
	(492,207)	(302,285)	(661,298)	(865,171)
Interest income	-	7,173	1,530	12,488
Net Loss for the period	(492,207)	(295,112)	(659,768)	(852,683)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:				
Translation adjustment	51,582	(63,994)	(40,350)	5,642
Loss and comprehensive loss for the period	\$ (440,625)	\$ (359,106)	\$ (700,118)	\$ (847,041)
Loss per common share				
-Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding				
-Basic and diluted	54,802,283	47,265,627	52,245,796	46,953,720

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)

	2019	2018
OPERATING ACTIVITIES		
Loss for the period	\$ (659,768)	\$ (852,683)
Items not affecting cash:		
Share-based payments	352,186	436,052
Depreciation	990	1,118
Changes in non-cash working capital items:		
Receivables	(19,969)	(129)
Prepaid expenses	(10,941)	(7,881)
Accounts payable and accrued liabilities	(15,994)	(15,481)
Net cash used in operating activities	<u>(353,496)</u>	<u>(439,004)</u>
FINANCING ACTIVITIES		
Proceeds from the issuance of shares, net of share issue cost	<u>1,308,924</u>	<u>733,278</u>
Net cash provided by financing activities	<u>1,308,924</u>	<u>733,278</u>
INVESTING ACTIVITIES		
Exploration and evaluation assets	(689,108)	(1,334,956)
Equipment	-	(2,762)
Net cash used in investing activities	<u>(689,108)</u>	<u>(1,337,718)</u>
Change in cash during the period	266,320	(1,043,444)
Cash, beginning of period	<u>1,240,735</u>	<u>3,085,933</u>
Cash, end of period	<u>\$ 1,507,055</u>	<u>\$ 2,042,489</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

SEPTEMBER 30, 2019

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves	Deficit	Accumulated Other Comprehensive Income	Total
	Number of Shares	Amount				
Balance as at March 31, 2018	45,548,190	\$ 10,679,559	\$ 929,167	\$ (5,502,660)	\$ 312,936	\$ 6,419,002
Private placement	2,595,925	700,900	-	-	-	700,900
Share issue cost - Private placement	-	(30,455)	-	-	-	(30,455)
Options exercised	250,000	44,500	-	-	-	44,500
Warrants exercised	61,110	18,333	-	-	-	18,333
Property acquisition	100,000	34,250	-	-	-	34,250
Reclassification of reserves on exercise of options	-	29,068	(29,068)	-	-	-
Share-based payments	-	-	436,052	-	-	436,052
Translation adjustment	-	-	-	-	5,642	5,642
Loss and comprehensive loss	-	-	-	(852,683)	-	(852,683)
Balance as at September 30, 2018	48,555,225	11,476,155	1,336,151	(6,355,343)	318,578	6,775,541
Options exercised	-	-	-	-	-	-
Property acquisition	100,000	20,750	-	-	-	20,750
Reclassification of reserves on exercise of options	-	-	-	-	-	-
Share-based payments	-	-	6,345	-	-	6,345
Translation adjustment	-	-	-	-	117,942	117,942
Loss and comprehensive loss	-	-	-	(410,272)	-	(410,272)
Balance as at March 31, 2019	48,655,225	11,496,905	1,342,496	(6,765,615)	436,520	6,510,306
Private placement	8,318,719	1,367,500	-	-	-	1,367,500
Share issue cost - private placement	-	(8,347)	-	-	-	(8,347)
Finders fees - cash	-	(50,229)	-	-	-	(50,229)
Finders fees - warrants issued	-	(6,113)	6,113	-	-	-
Share-based payments	-	-	352,186	-	-	352,186
Translation adjustment	-	-	-	-	(40,350)	(40,350)
Loss and comprehensive loss	-	-	-	(659,768)	-	(659,768)
Balance as at September 30, 2019	56,973,944	\$ 12,799,716	\$ 1,700,795	\$ (7,425,383)	\$ 396,170	\$ 7,471,298

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

VR RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(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.

As at September 30, 2019, the Company has a working capital of \$1,515,251 and an accumulated deficit of \$7,425,383. 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.

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 condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2019, 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, 2019 are not necessarily indicative of the results that may be expected for the year ending March 31, 2020.

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 consolidated financial statements of the Company include the balances of its subsidiaries, Renntiger Resources Ltd. and Renntiger USA Ltd., which are wholly owned subsidiaries.

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.

New standards and interpretations not yet 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:

- 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. The adoption of this new standards did not have a significant impact on the Company's condensed consolidated interim financial statements.

3. CASH AND CASH EQUIVALENTS

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

	September 30, 2019	March 31, 2019
Cash held in CAD	\$ 975,037	\$ 55,100
Cash equivalents in CAD	-	500,000
Cash held in USD	532,018	17,485
Cash equivalents in USD	-	668,150
Total	\$ 1,507,055	\$ 1,240,735

4. RECEIVABLES

Receivables consist of GST and interest 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, 2019	\$ 11,020
Additions	-
Balance at September 30, 2019	\$ 11,020
Accumulated Depreciation:	
Balance at March 31, 2019	\$ 4,420
Depreciation	990
Balance at September 30, 2019	\$ 5,410
Net Book Value:	
Balance at March 31, 2019	\$ 6,600
Balance at September 30, 2019	\$ 5,610

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) Yellow Peak – Nevada, USA

Yellow Peak is a 100% owned copper-molybdenum-silver 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 year ended March 31, 2019, the Company incurred land administration and other costs amounting to \$7,680 (2018 - \$7,594) and accordingly wrote-off these costs as impairment of exploration and evaluation assets.

The Company allowed the mineral claims to lapse in September, 2019.

b) 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. A contiguous group of 293 claims covering 2,450 ha (6,054 acres) is in good standing until September, 2020, when annual lease payments to the BLM are due.

c) Big Ten Project – Nevada, USA

The Company now owns seven properties along the 20 km length of the Big Ten mineral trend. The properties comprise 103 claims in total, covering 2,105 acres. Each property is a single, contiguous claim block. A complete description of each property is available at the Company's website at www.vrr.ca. 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
- 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.

VR RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

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

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.

d) Big Creek – Nevada, USA

The Big Creek property located in Humboldt County, Nevada, USA, and owned 100% by the Company was allowed to lapse during the year end March 31, 2019. As a result, the Company wrote off cumulative costs incurred to date on the Big Creek property of \$56,930 as an impairment cost.

e) Junction – Nevada, USA

The Company 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 will issue 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) by March 2019, with the option to return the property to the vendor prior to such date, with no obligation to issue the common 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.

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 will issue 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 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 US\$1,500,000.

The Junction property has changed several times, with claims added and claims dropped based on exploration results. Currently the property consists of 47 claims in three separate blocks covering an area of 388 hectares (960 acres) along the 6 km long trend of mineral showings..

f) New Boston – Nevada, USA

The Company 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 CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(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 by March 2019, with the option to return the property to the vendor prior to such date, with no obligation to issue the common shares.

g) Ranoke Property, Ontario, Canada

The Company acquired the Ranoke property directly by staking in April, 2019. It consists of 360 claims in one contiguous block covering 7,400 ha in an area 12 x 12 kilometres in size. The property is owned 100% by VR, free and clear of any interests or royalties. The claims are in good standing through April 2022.

	Ranoke	Bonita	Danbo	Junction	New Boston	Total
Acquisition costs						
Balance, March 31, 2019	\$ 14,750	\$ 1,393,458	\$ 54,293	\$ 185,362	\$ 78,770	\$ 1,726,633
Staking fees	-	69,093	9,132	11,101	5,679	95,005
Land administration	-	-	39,160	-	-	39,160
Translation adjustment	-	(5,757)	(475)	(1,240)	(581)	(8,053)
	-	63,336	47,817	9,861	5,098	126,112
Balance, September 30, 2019	\$ 14,750	\$ 1,456,794	\$ 102,110	\$ 195,223	\$ 83,868	\$ 1,852,745
Deferred exploration costs						
Balance, March 31, 2019	\$ -	\$ 2,773,447	\$ 164,557	\$ 637,311	\$ -	\$ 3,575,315
Drilling	-	10,535	-	-	-	10,535
Field	3,106	6,124	467	-	-	9,697
Geological	22,222	13,980	5,772	-	-	41,974
Geophysical	408,960	-	-	-	-	408,960
Geochemistry	16,000	11,046	8,040	-	-	35,086
Survey	48,421	-	-	-	-	48,421
Translation adjustment	-	(25,047)	(1,526)	(5,723)	-	(32,296)
	498,709	16,638	12,753	(5,723)	-	522,377
Balance, September 30, 2019	\$ 498,709	\$ 2,790,085	\$ 177,310	\$ 631,588	\$ -	\$ 4,097,692
Balance, September 30, 2019	\$ 513,459	\$ 4,246,879	\$ 279,420	\$ 826,811	\$ 83,868	\$ 5,950,437

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019	March 31, 2019
Trade Payables	\$ 33,852	\$ 40,125
Accrued Liabilities	20,000	30,000
	\$ 53,852	\$ 70,125

8. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

- 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 finders fee of \$30,000 and issued 200,000 agent warrants valued at \$6,113. Each broker warrant is exercisable at \$0.25 to November 16, 2020. As at September 30, 2019 \$161,791 remains to be incurred on qualified expenditures during fiscal 2019 and 2020. The Company intends to fulfil its flow-through commitments within the given time constraints.
- 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. 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.

During fiscal 2019:

- The Company completed a private placement of 2,595,925 units at a price of \$0.27 per share for gross proceeds of \$700,900, less a \$30,455 cash finder's fee, totalling net proceeds of \$670,445. 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 April 13, 2020.
- The Company issued 200,000 common shares for the acquisition of exploration and evaluation assets at a fair value of \$55,000.
- The Company had 250,000 options exercised for proceeds of \$44,500.
- The Company had 61,110 warrants exercised for proceeds of \$18,333.

Stock options

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years, and the exercise price of the stock options is set in accordance with the policies of the TSX-V.

VR RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd)

As at September 30, 2019, 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	7.48
1,790,000	\$0.30	March 21, 2027	7.48
250,000	\$0.30	May 16, 2027	7.63
1,350,000	\$0.30	April 13, 2028	8.54
200,000	\$0.35	July 6, 2028	8.77
40,000	\$0.25	October 2, 2028	9.01
1,000,000	\$0.28	August 14, 2029	9.88
300,000	\$0.30	September 9, 2029	9.95
<u>5,035,000</u>			<u>8.46</u>

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at March 31, 2018	2,695,000	\$ 0.29
Granted	1,690,000	0.30
Exercised	(250,000)	0.18
Cancelled	(400,000)	0.30
As at March 31, 2019	3,735,000	\$ 0.30
Granted	1,300,000	0.28
As at September 30, 2019	5,035,000	\$ 0.30

During the period ended September 30, 2019, the Company recognized share-based payments expense of \$352,186 (2018 - \$376,972), 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:

	September 30, 2019	March 31, 2019
Risk-free interest rate	1.19%	2.22%
Expected life of options	10.0	10.0
Annualized volatility	100%	100%
Dividend rate	0%	0%
Weighted average fair value per option granted	\$.27	\$ 0.26

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, 2018	12,306,183	\$ 0.51
Warrants expired	(8,230,073)	\$ 0.57
Agent warrants expired	(61,110)	\$ 0.30
Warrants issued in private placement	1,297,963	\$ 0.40
As at March 31, 2019	5,312,963	\$ 0.40
Agents' warrants issued	200,000	\$ 0.25
Warrants issued in private placement	1,957,692	\$ 0.33
As at September 30, 2019	7,470,655	\$ 0.38

The weighted average remaining contractual life of warrants outstanding at September 30, 2018, was 0.72 (March 31, 2019 – 0.98) years.

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
4,015,000	\$0.40	March 16, 2020
1,297,963	\$0.40	April 13, 2020
200,000	\$0.25	November 16, 2020
857,692	\$0.25	December 27, 2020
1,100,000	\$0.4	February 14, 2021
7,470,655		

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended September 30, 2019, consisted of the following:

- Accrued \$19,575 (March 31, 2019 - \$19,844) of exploration and evaluation assets in accounts payable and accrued liabilities.

Significant non-cash transactions during the period ended September 30, 2018, consisted of the following:

- Issued 100,000 common shares with a fair value of \$34,250 for the acquisition of exploration and evaluation assets; and
- Accrued \$14,120 (March 31, 2018 - \$11,937) of exploration and evaluation assets in accounts payable and accrued liabilities.

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 September 30, were:

	2019	2018
Short-term benefits paid or accrued:		
Consulting fees	\$ 12,000	\$ 18,000
Salaries	96,000	96,000
	<u>108,000</u>	<u>114,000</u>
Share-based payments:		
Share-based payments	<u>210,086</u>	<u>272,979</u>
Total remuneration	<u>\$ 318,086</u>	<u>\$ 386,979</u>

The Company has an arrangement with Balmoral Resources Ltd. ("Balmoral"), a Company with a common director, to provide office space and corporate compliance support. During the period ended September 30, 2018 the Company paid to Balmoral \$34,618 (2018 - \$12,137) for office rent and other general and administrative expenses. As at September 30, 2019, the Company owed \$4,609 (March 31, 2019 - \$4,426) 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:

	September 30, 2019	March 31, 2019
Equipment - Canada	\$ 5,610	\$ 6,600
Exploration and evaluation assets - Canada	513,459	-
Exploration and evaluation assets - USA	<u>\$ 5,436,978</u>	<u>\$ 5,301,948</u>

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

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

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 September 30, 2019, the Company had a cash balance of \$1,507,055 to settle current liabilities of \$53,852. 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\$401,622 as of September 30, 2019 (Note 3). A 10% fluctuation in the USD against the CAD would result in an approximate \$53,000 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 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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

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

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 EVENTS

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. The Company paid a cash finder's fee of \$30,000 and issued 78,947 agent warrants. Each broker warrant is exercisable at \$0.25 to November 16, 2020.

The Company completed a private placement of 1,523,666 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. 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.