

VR RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2021
(Unaudited)
(Expressed in Canadian Dollars)

NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the condensed consolidated financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements of the Company for the quarter ended September 30, 2021, 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)
(Expressed in Canadian Dollars)

	September 30, 2021	March 31, 2021
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 2,496,096	\$ 2,931,748
Receivables (Note 4)	72,698	36,411
Prepaid expenses	28,853	27,169
	<u>2,597,647</u>	<u>2,995,328</u>
Equipment (Note 5)	2,749	3,234
Exploration and evaluation assets (Note 6)	<u>9,996,829</u>	<u>8,398,242</u>
	<u>\$ 12,597,225</u>	<u>\$ 11,396,804</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7 and 10)	\$ 527,980	\$ 189,167
Shareholders' equity		
Share capital (Note 8)	19,362,442	18,248,469
Reserves (Note 8)	2,388,272	1,955,666
Deficit	(9,937,575)	(9,168,743)
Accumulated other comprehensive income	256,106	172,245
	<u>12,069,245</u>	<u>11,207,637</u>
	<u>\$ 12,597,225</u>	<u>\$ 11,396,804</u>

Nature of operations and going concern (Note 1)

**On behalf of the Board
on October 28, 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**

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended Sept. 30, 2021	Three Months Ended Sept. 30, 2020	Six Months Ended Sept. 30, 2021	Six Months Ended Sept. 30, 2020
EXPENSES				
Consulting fees (Note 10)	\$ 6,000	\$ 19,550	\$ 12,000	\$ 36,500
Depreciation (Note 5)	242	347	485	693
Foreign exchange gain (loss)	3,268	13,222	5,220	37,398
Investor relations and promotion	40,650	12,129	68,775	26,762
Impairment of exploration and evaluation assets	10,478	11,111	10,478	11,111
Office	16,879	9,972	29,866	22,903
Professional fees	12,953	29,997	20,438	43,615
Rent	6,000	3,858	12,000	13,052
Salaries (Note 10)	82,565	43,922	162,698	119,838
Share-based payments (Note 8,10)	426,574	34,575	426,574	254,442
Regulatory and transfer agent	13,239	15,772	25,102	26,996
Travel	-	9	-	44
	(618,848)	(194,464)	(773,636)	(593,354)
Interest income	1,903	7,680	4,804	11,258
Net Loss for the period	(616,945)	(186,784)	(768,832)	(582,096)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:				
Translation adjustment	146,530	(85,165)	83,861	(249,578)
Loss and comprehensive loss for the period	\$ (470,415)	\$ (271,949)	\$ (648,971)	\$ (849,056)
Loss per common share				
-Basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding				
-Basic and diluted	80,840,138	71,242,307	79,623,519	67,436,349

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 SIX-MONTH PERIODS ENDED SEPTEMBER 30
(Unaudited)
(Expressed in Canadian Dollars)

	2021	2020
OPERATING ACTIVITIES		
Loss for the period	\$ (768,832)	\$ (582,096)
Items not affecting cash:		
Share-based payments	426,574	254,442
Depreciation	485	693
Changes in non-cash working capital items:		
Receivables	(36,287)	38,411
Prepaid expenses	(1,684)	(8,606)
Accounts payable and accrued liabilities	(89,150)	71,510
Net cash used in operating activities	<u>(468,894)</u>	<u>(225,646)</u>
FINANCING ACTIVITIES		
Proceeds from the issuance of shares, net of share issue cost	<u>1,120,006</u>	<u>2,245,813</u>
Net cash provided by financing activities	<u>1,120,006</u>	<u>2,245,813</u>
INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>(1,086,764)</u>	<u>(769,420)</u>
Net cash used in investing activities	<u>(1,086,764)</u>	<u>(769,420)</u>
Change in cash during the period	(435,652)	1,250,747
Cash, beginning of period	<u>2,931,748</u>	<u>1,468,651</u>
Cash, end of period	<u>\$ 2,496,096</u>	<u>\$ 2,719,398</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, 2021

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves	Deficit	Accumulated Other Comprehensive Income	Total
	Number of Shares	Amount				
Balance as at March 31, 2020	60,717,801	\$ 14,192,733	\$ 1,715,719	\$ (8,361,817)	\$ 683,738	\$ 8,230,373
Private placement	10,306,321	2,293,223	-	-	-	2,293,223
Share issue cost - private placement	-	(61,834)	-	-	-	(61,834)
Finders fees - warrants issued	-	(21,086)	21,086	-	-	-
Warrants exercised	57,692	14,424	-	-	-	14,424
Property acquisition	275,000	86,875	-	-	-	86,875
Share-based payments	-	-	216,867	-	-	216,867
Translation adjustment	-	-	-	-	(249,578)	(249,578)
Loss and comprehensive loss	-	-	-	(582,096)	-	(582,096)
Balance as at September 30, 2020	71,356,814	16,504,335	1,953,672	(8,943,913)	434,160	9,948,254
Private Placement	5,500,787	1,690,480	-	-	-	1,690,480
Share issue cost - private placement	-	(91,846)	-	-	-	(91,846)
Finders fees - warrants issued	-	(1,994)	1,994	-	-	-
Warrants exercised	420,340	108,494	-	-	-	108,494
Property acquisition	100,000	39,000	-	-	-	39,000
Translation adjustment	-	-	-	-	(261,915)	(261,915)
Loss and comprehensive loss	-	-	-	(224,830)	-	(224,830)
Balance as at March 31, 2021	77,377,941	18,248,469	1,955,666	(9,168,743)	172,245	11,207,637
Private placement	2,619,047	1,000,000	-	-	-	1,000,000
Share issue cost - private placement	-	(37,450)	-	-	-	(37,450)
Finders fees - warrants issued	-	(8,099)	8,099	-	-	-
Warrants exercised	449,875	157,456	-	-	-	157,456
Translation adjustment	-	-	-	-	83,861	83,861
Share-based payments	-	-	426,574	-	-	426,574
Reclassification or reserves on exercise of warrants	-	2,067	(2,067)	-	-	-
Loss and comprehensive loss	-	-	-	(768,832)	-	(768,832)
Balance as at September 30, 2021	80,446,863	\$ 19,362,443	\$ 2,388,272	\$ (9,937,575)	\$ 256,106	\$ 12,069,246

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

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2021

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

VR Resources Ltd. (the “Company”) was incorporated on May 7, 2015, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) and continued in British Columbia. The Company’s head office address is at 1500 – 409 Granville Street, Vancouver, BC, V6C 1T2. 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, 2021, the Company has a working capital of \$2,069,667 and an accumulated deficit of \$9,937,575. 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, 2021, 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, 2021 are not necessarily indicative of the results that may be expected for the year ending March 31, 2022.

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

September 30, 2021

(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:

Amendments to IAS1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to align the definition of “material” across the standards and to clarify certain aspects of the definition. The new definition states that, “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” These amendments are effective for annual periods beginning on or after January 1, 2020. The amendments to the definition of material did not have a significant impact on the Annual Financial Statements.

3. CASH AND CASH EQUIVALENTS

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

	September 30, 2021	March 31, 2021
Cash held in CAD	\$ 18,243	\$ 133,991
Cash equivalents in CAD	2,475,532	2,640,790
Cash held in USD	2,321	156,967
Total	\$ 2,496,096	\$ 2,931,748

4. RECEIVABLES

Receivables consist of GST receivable of \$72,698 (March 31, 2021 - \$27,646) and accrued interest of \$Nil (March 31, 2021 - \$8,765). The Company does not have any significant balances that are past due. All receivables are current, and the Company does not have any allowance for doubtful accounts as at September 30, 2021 and March 31, 2021. Due to their short-term maturities, the fair value of receivables approximates their carrying value.

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2021

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer Equipment
Cost:	
Balance at March 31, 2020, 2021 and September 30, 2021	\$ 11,020
Accumulated Depreciation:	
Balance at March 31, 2020	\$ 6,400
Depreciation	1,386
Balance at March 31, 2021	\$ 7,786
Depreciation	485
Balance at September 30, 2021	\$ 8,271
Net Book Value:	
Balance at March 31, 2021	\$ 3,234
Balance at September 30, 2021	\$ 2,749

6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

a) Bonita – Nevada, USA

The Company acquired the Bonita copper-gold property in Humboldt County, Nevada, USA, through staking. Upon initiation of a diamond drill program within the area of interest surrounding the original property (completed during the year ended March 31, 2018), the Company met its obligation to issue an additional 450,000 common shares to the original finder, which were issued with a fair value of \$148,500.

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

b) Big Ten Project – Nevada, USA

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

Danbo Property

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

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);

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2021

(Expressed in Canadian Dollars)

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

- 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.

Clipper Property

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

c) Ranoke Property, Ontario, Canada

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

d) Hecla-Kilmer Property, Ontario, Canada

The Company owns a 100% interest in the Hecla-Kilmer property located in Ontario, Canada. As consideration, the Company paid \$15,000 and issued 75,000 common shares with a fair valued of \$21,375. As the Company commenced its initial drill program on the property the Company paid an additional \$50,000 and issued an additional 100,000 common shares with a fair value of \$34,500.

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.

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

The Company owns a 100% interest in the Reveille property located in Nevada, U.S.A. As consideration, the Company paid US\$20,000 and issued 100,000 common shares with a fair value of \$31,000. As the Company commenced a drill program on the property the Company paid an additional US\$50,000 and issued an additional 100,000 common share with a fair value of \$39,000.

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\$500,000 for each 0.5% for a maximum cost of US\$1,500,000.

VR RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2021

(Expressed in Canadian Dollars)

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

	Ranoke	Hecla-Kilmer	Bonita	Big Ten	Reveille	Total
Acquisition costs						
Balance, March 31, 2021	\$ 14,750	\$ 132,525	\$ 1,444,669	\$ 131,984	\$ 204,910	\$ 1,928,838
Staking fees	-	-	18,347	-	97,697	116,044
Land administration	-	-	-	25,839	-	25,839
Translation adjustment	-	-	9,238	2,108	2,938	14,284
	-	-	27,585	27,947	100,635	156,167
Balance, September 30, 2021	\$ 14,750	\$ 132,525	\$ 1,472,254	\$ 159,931	\$ 305,545	\$ 2,085,005
Deferred exploration costs						
Balance, March 31, 2021	\$ 1,686,985	\$ 1,014,235	\$ 2,653,328	\$ 469,353	\$ 645,503	\$ 6,469,404
Drilling	-	355,680	-	-	378,604	734,285
Field	-	123,804	-	-	17,305	141,109
Geochemistry	-	31,405	-	-	241,467	272,872
Geological	-	30,791	-	-	117,179	147,970
Geophysical	-	11,246	-	-	57,209	68,455
Permitting	-	-	-	8,150	-	8,150
Translation adjustment	-	-	35,023	6,393	28,163	69,579
	-	552,926	35,023	14,543	839,928	1,442,420
Balance, September 30, 2021	\$ 1,686,985	\$ 1,567,161	\$ 2,688,351	\$ 483,896	\$ 1,485,431	\$ 7,911,824
Balance, September 30, 2021	\$ 1,701,735	\$ 1,699,686	\$ 4,160,605	\$ 643,827	\$ 1,790,976	\$ 9,996,829

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

September 30, 2021

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2021	March 31, 2021
Trade Payables	\$ 515,553	\$ 160,929
Accrued Liabilities	12,427	28,238
	\$ 527,980	\$ 189,167

8. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the quarter ended September 30, 2021

- The Company closed a non-brokered private placement consisting of 1,428,571 units at a price of \$0.35 per unit and 1,190,476 flow-through shares at a price of \$0.42 per share for gross proceeds of \$1,000,000. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share at an exercise price of \$0.55 per common share to November 15, 2022. The Company paid cash fees of \$30,000 and issued 71,429 agent warrants valued at \$8,099. Each agent warrant is exercisable at \$0.55 per share to November 15, 2022. Additional share issue costs of \$7,450 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost.
- The Company issued 449,875 common shares on the exercise of warrants for proceeds of \$157,456.

During fiscal 2021:

- The Company completed a non-brokered 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. There was no flow-through premium liability allocated to the flow-through obligation of this private placement. 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 agent warrant is exercisable at \$0.35 to December 8, 2021. Additional share issue costs of \$19,252 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at March 31, 2021 all qualified expenditures have been spent.
- The Company completed a non-brokered 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. Additional share issue costs of \$11,067 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost.
- The Company completed 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. There was no flow-through premium liability allocated to the flow-through obligation of this private placement. The Company paid a cash finder’s fee of \$9,000 and issued 10,975 agent warrants valued at \$1,994. Each agent warrant is exercisable at \$0.55 to August 26, 2022. Additional share issue costs of \$3,200 were incurred in connection with the financing and was recorded as an offset to share capital as share issue cost. As at

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

September 30, 2021

(Expressed in Canadian Dollars)

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

- March 31, 2021 \$144,202 of qualified expenditures have been spent.
- The Company issued 478,032 common shares on the exercise of warrants for proceeds of \$122,918.

Stock options

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

As at September 30, 2021, 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	5.47
1,790,000	\$0.30	March 21, 2027	5.47
250,000	\$0.30	May 16, 2027	5.63
1,350,000	\$0.30	April 13, 2028	6.54
200,000	\$0.35	July 6, 2028	6.77
40,000	\$0.25	October 2, 2028	7.01
975,000	\$0.28	August 14, 2029	7.88
300,000	\$0.30	September 9, 2029	7.95
900,000	\$0.28	June 10, 2025	3.70
150,000	\$0.30	August 27, 2025	3.91
1,425,000	\$0.45	July 14, 2026	4.79
7,485,000			5.75

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at March 31, 2020	5,035,000	\$ 0.30
Expired	(25,000)	0.28
Granted	2,050,000	0.28
As at March 31, 2021	6,060,000	\$ 0.30
Granted	1,425,000	0.45
As at September 30, 2020	7,485,000	\$ 0.32

During the period ended September 30, 2021, the Company recognized share-based payments expense of \$426,574 (2020 - \$254,442), regarding the vesting of stock options granted.

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

September 30, 2021

(Expressed in Canadian Dollars)

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

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

	September 30, 2021	March 31, 2021
Risk-free interest rate	0.91%	0.38%
Expected life of options	5.0	5.0
Annualized volatility	100%	100%
Dividend rate	0%	0%
Weighted average fair value per option granted	\$ 0.30	\$ 0.28

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, 2020	4,379,268	\$ 0.40
Agents' warrants issued	188,168	\$ 0.36
Warrants issued in private placement	7,074,788	\$ 0.39
Warrants exercised	(478,032)	\$ 0.26
Warrants expired	(3,011,713)	\$ 0.37
As at March 31, 2021	8,152,479	\$ 0.40
Agents' warrants issued	71,429	\$ 0.55
Warrants issued in private placement	714,285	\$ 0.55
Warrants exercised	(449,875)	\$ 0.35
Warrants expired	(923,613)	\$ 0.50
As at September 30, 2021	7,564,705	\$ 0.41

The weighted average remaining contractual life of warrants outstanding at September 30, 2021, was 0.50 (September 30, 2020 – 0.87 years).

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
2,900,550	\$0.35	December 8, 2021
1,300,000	\$0.35	December 10, 2021
2,567,466	\$0.45	July 28, 2022
10,975	\$0.55	August 26, 2022
785,714	\$0.55	December 15, 2022
7,564,705		

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9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended September 30, 2021, consisted of the following:

- Accrued \$514,073 (March 31, 2021 - \$86,111) of exploration and evaluation assets in accounts payable and accrued liabilities.

Significant non-cash transactions during the period ended June 30, 2020, consisted of the following:

- Accrued \$4,552 (March 31, 2020 - \$34,575) of exploration and evaluation assets in accounts payable and accrued liabilities.
- Issued 175,000 common shares with a fair value of \$52,375 for the acquisition of exploration and evaluation assets.

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:

	2021	2020
Short-term benefits paid or accrued:		
Consulting fees	\$ 12,000	\$ 12,000
Salaries	96,000	96,000
	<u>108,000</u>	<u>108,000</u>
Share-based payments:		
Share-based payments	341,259	210,086
	<u>341,259</u>	<u>210,086</u>
Total remuneration	\$ 449,259	\$ 318,086

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 September 30, 2021, the Company paid to Balmoral \$Nil (2020 - \$16,010) for office rent and other general and administrative expenses.

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, 2021	March 31, 2021
Equipment - Canada	\$ 2,749	\$ 3,234
Exploration and evaluation assets - Canada	3,401,421	2,848,495
Exploration and evaluation assets - USA	\$ 6,595,407	\$ 5,549,747

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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 September 30, 2021, the Company had a cash balance of \$2,496,096 to settle current liabilities of \$527,980. All the Company's financial liabilities have contractual maturities of less than 30 days

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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\$1,821 as of September 30, 2021 (Note 3). A 10% fluctuation in the USD against the CAD would result in an approximate \$200 change in profit or loss for the period.

Price risk

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