1100 – 1199 West Hastings Street,
Vancouver, BC, V6E 3T5
Tel: 604-684-9384   Fax: 604-688-4670

Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2018, and comparatives for the three months ended March 31, 2017, were prepared by management and have not been reviewed or audited by the Company's auditors.

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Loss

Three Months Ended March 31, 2018 and 2017

(Expressed in Canadian Dollars, Unaudited)

	Note		2018		2017
Operating Expenses					
Administration	6	$	15,000	$	15,000
Consulting	6		8,483		5,729
Exploration and evaluation	5 & 6		12,111		34,172
Investor relations	6		18,269		46,957
Office and general	6		5,001		4,692
Professional fees	6		8,250		18,624
Regulatory fees and taxes			5,976		7,584
Share-based payments			-		201,803
Shareholders' communications			700		588
Transfer agent			826		1,345
			74,616		**336,494**
Foreign exchange loss			552		-
Reversal of flow-through premium			-		(728)
			552		**(728)**
Net Loss and Comprehensive Loss for the Period		**$**	**75,168**	**$**	**335,766**
Loss per share - basic and diluted		$	0.00	$	0.01
Weighted average number of common shares outstanding			65,419,579		62,390,140

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

Valterra Resource Corporation

(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars, Unaudited)

As at	**Note**		**March 31 2018**		**December 31 2017**
Assets					
Current					
Cash		$	144,834	$	8,672
Receivables			34,952		3,244
Prepaids			775		5,345
			180,561		**17,261**
Non-current					
Mineral properties	5		363,964		304,183
Reclamation bond			12,000		12,000
			375,964		**316,183**
		$	**556,525**	**$**	**333,444**
Liabilities					
Current					
Accounts payable and accrued liabilities		$	484,042	$	478,183
Due to related parties	6		217,579		164,473
			701,621		**642,656**
Deficit					
Share capital	7		13,649,116		13,449,358
Share-based payments reserve			213,043		227,608
Warrant reserve			240,058		201,290
Deficit			(14,247,313)		(14,187,468)
			(145,096)		**(309,212)**
		$	**556,525**	**$**	**333,444**

Approved on behalf of the Board

"Lawrence Page"	*"Edward Odishaw"*
Lawrence Page, Q.C.	Edward Odishaw
Director	Director

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

Valterra Resource Corporation

(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Changes in Equity (Deficit)
Three Months Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based	Warrant		Total
	Number of Shares	Amount	Payments Reserve	Reserve	Deficit	Equity (Deficit)
Balance as at December 31, 2016	**62,390,140**	**$ 13,371,398**	**$ 225,874**	**$ 201,290**	**$ (13,552,131)**	**$ 246,431**
Share-based payments	-	-	201,803	-	-	201,803
Net loss	-	-	-	-	(335,766)	(335,766)
Balance as at March 31, 2017	**62,390,140**	**$ 13,371,398**	**$ 427,677**	**$ 201,290**	**$ (13,887,897)**	**$ 112,468**

	Number of Shares	Amount	Share-based Payments Reserve	Warrant Reserve	Deficit	Total Equity (Deficit)
Balance as at December 31, 2017	**64,988,820**	**$ 13,449,358**	**$ 227,608**	**$ 201,290**	**$ (14,187,468)**	**$ (309,212)**
Issued						
Private placement	7,753,667	193,842	-	38,768	-	232,610
Share issue costs	-	(1,584)	758	-	-	(826)
Subscriptions received	-	7,500	-	-	-	7,500
Expiry of options and warrants	-	-	(15,323)	-	15,323	-
Net loss	-	-	-	-	(75,168)	(75,168)
Balance as at March 31, 2018	**72,742,487**	**$ 13,649,116**	**$ 213,043**	**$ 240,058**	**$ (14,247,313)**	**$ (145,096)**

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

Three Months Ended March 31, 2018 and 2017

(Expressed in Canadian Dollars, Unaudited)

		2018		2017
Operating Activities				
Net loss	$	(75,168)	$	(335,766)
Items not involving cash:				
Reversal of flow-through premium		-		(728)
Share-based payments		-		201,803
		(75,168)		(134,691)
Changes in Non-Cash Working Capital				
Receivables		292		14,846
Prepaids		4,570		(11,566)
Accounts payable and accrued liabilities		5,859		(30,191)
Due to related parties		55,238		(3,235)
		65,959		(30,146)
Cash Used in Operating Activities		**(9,209)**		**(164,837)**
Investing Activities				
Acquisition of mineral property		(61,913)		-
Cash Used in Investing Activities		**(61,913)**		**-**
Financing Activities				
Shares issued for cash, net		199,784		-
Subscriptions received		7,500		-
Cash Provided by Financing Activities		**207,284**		**-**
Increase (Decrease) in Cash During the Period		**136,162**		**(164,837)**
Cash, Beginning of the Period		8,672		534,194
Cash, End of the Period	$	**144,834**	$	**369,357**

Supplemental cash flow information (Note 9)

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

1. Nature of Operations and Going Concern

Valterra Resource Corporation (the "Company") was incorporated in Alberta on September 26, 1996, continued to the Yukon on May 8, 1997 and subsequently to British Columbia on February 22, 2008. The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2018, the Company had a working capital deficit of $521,060 (December 31, 2017 - $625,395). The Company incurred a net loss of $75,168 for the three months ended March 31, 2018 (2017 - $335,766) and had an accumulated deficit of $14,247,313 as at March 31, 2018 (December 31, 2017 - $14,187,468).

As at March 31, 2018, the Company does not have sufficient capital to meet the requirements for its administrative overhead or maintaining its mineral interests. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company will be required to issue share capital to finance future activities through private placements and the exercise of options and warrants. There can be no assurance that such financing will be available to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustment could be material.

2. Basis of Preparation

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standards 34: *Interim Financial Reporting* using historical cost, except for cash flow information and financial instruments measured at fair value. The Company's functional and presentation currency is the Canadian dollar.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2017.

(Expressed in Canadian Dollars, Unaudited)

2. Basis of Preparation, continued

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 29, 2018.

3. Summary of Significant Accounting Policies

The same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual consolidated financial statements, except for the adoption of IFRS 9, *Financial Instruments* ("IFRS 9") effective January 1, 2018, and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards of the results for the interim periods presented.

4. Financial Instruments

Upon adoption of IFRS 9 there were no changes to the measurement of the Company's financial instruments which include cash, reclamation bond, accounts payable and accrued liabilities and due to related parties. The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

5. Mineral Properties

Mineral property acquisition costs as at March 31, 2018, were as follows:

	Swift Katie $	Weepah $	Total $
Balance as at December 31, 2016	194,197	-	194,197
Additions	700	109,286	109,986
Balance as at December 31, 2017	194,897	109,286	304,183
Additions	59,781	-	59,781
Balance as at March 31, 2018	**254,678**	**109,286**	**363,964**

Swift Katie

Pursuant to an agreement dated July 21, 2006, as amended, a private company controlled by a director of the Company, acquired an option to purchase the property located near Salmo, British Columbia. The option was subsequently assigned to the Company for $2,500.

The property is subject to a 3% net smelter royalty ("NSR") of which the Company has the option to purchase one-half (1.5%) for $1,000,000 per 1% and the option to purchase a further one-sixth (0.5%) for an additional $1,500,000 at any time prior to the commencement of commercial production.

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

Swift Katie, continued

Beginning December 31, 2010 and annually thereafter, the Company is required to make an annual advance minimum royalty ("AMR") payment of $50,000. These payments will be adjusted annually according to the Consumer Price Index base of December 31, 2006 and are deductible from future NSR payments (paid in full to date).

In addition to the NSR and the AMR, if the Company completes a positive feasibility study, the Company will issue 250,000 common shares to the optionors and if the Company achieves commercial production, the Company will issue 500,000 common shares to the optionors.

Weepah

Pursuant to an agreement dated June 23, 2017, the Company has the right to acquire a 100% interest in certain unpatented and patented mining claims in Esmeralda County, Nevada. To acquire the interest, the Company is required to make the following remaining payments:

- US$100,000 on June 23, 2018 (which may be paid in common shares);
- US$200,000 on June 23, 2019;
- US$200,000 on June 23, 2020; and
- US$400,000 on June 23, 2021.

The property is subject to NSR royalties totaling 3% of which the Company may reduce to 2% for US$2,500,000. AMR payments will be due upon the anniversary of the option exercise as follows: US$25,000 on first, second and third anniversaries, and US$35,000 on subsequent anniversaries.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the three months ended March 31, 2018 and 2017, were:

	Swift Katie		Weepah		Total	
	$	$	$	$	$	$
	2018	2017	2018	2017	2018	2017
Assays and analysis	-	17,626	-	-	-	17,626
Equipment rental and field supplies	-	1,700	-	-	-	1,700
Geological services	255	333	759	-	1,014	333
Project supervision	6,828	14,513	-	-	6,828	14,513
	7,083	34,172	759	-	7,842	34,172
General					4,269	-
					12,111	34,172

6. Related Party Balances and Transactions

Except as disclosed elsewhere in these condensed consolidated interim financial statements, the Company entered into the following related party transactions:

(a) Fees were charged by a company controlled by a director and officer of the Company as follows:

- $15,000 (2017 - $15,000) for office space and administration services;
- $4,043 (2017 - $2,729) for consulting services;
- $8,250 (2017 - $7,750) for professional services;
- $11,808 (2017 - $18,408) for investor relations services;
- $8,613 (2017 - $9,623) for geological consulting services; and
- $738 (2017 - $2,095) for mark-up on out of pocket expenses.

Accounts payable as at March 31, 2018 were $163,501 (December 31, 2017 - $113,374).

(b) Fees in the amount of $nil (2017 - $10,000) were charged by or accrued to a law firm controlled by a director and officer of the Company and included in professional fees, mineral property acquisition or exploration expenditures or share issue costs where applicable. Amounts payable as at March 31, 2018 were $33,550 (December 31, 2017 - $33,550).

(c) Fees in the amount of $3,000 (2017 - $3,000) were charged by an officer of the Company for consulting services. Amounts payable as at March 31, 2018 were $10,500 (December 31, 2017 - $7,350).

(d) Fees in the amount of $nil (2017 - $5,625) were charged by a company controlled by a director of the Company for geological consulting services. Amounts payable as at March 31, 2018 were $nil (December 31, 2017 - $1,050).

(e) Fees in the amount of US$600 (2017 - US$nil) were charged by a director of the Company for geological consulting services. Amounts payable as at March 31, 2018 were $5,028 (US$3,900) (December 31, 2017 - $4,149 (US$3,300)).

(f) Loans totalling $5,000 (December 31, 2017 - $5,000) are payable to a company controlled by a director and officer of the Company with respect to funds advanced.

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. A summary of compensation awarded to key management, including amounts in (c) and (e) above, was as follows:

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions, continued

		2018		2017
Short-term benefits	$	3,759	$	3,000
Share-based payments		-		115,316
Total	$	3,759	$	118,316

7. Share Capital

(a) Authorized

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(b) Equity Financings

Three Months Ended March 31, 2018

On March 28, 2018, the Company closed the first tranche of a non-brokered private placement and issued 7,753,667 units at a price of $0.03 per unit for gross proceeds of $232,610. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable to purchase one common share at an exercise price of $0.05 per share for a period of three years.

The Company also issued 29,190 finders' share purchase warrants exercisable to purchase one common share at an exercise price of $0.05 for a period of three years. These warrants were fair valued at $0.03 per warrant using the Black-Scholes option-pricing model (Note 7(e)).

(c) Stock Options

Stock options outstanding and exercisable as at March 31, 2018 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2017	Cancelled / Expired	Balance March 31, 2018
$0.17	March 1, 2018	100,000	100,000	-
$0.05	March 27, 2022	4,200,000	-	4,200,000
		4,300,000	**100,000**	**4,200,000**
Weighted average exercise price		$0.05	$0.17	$0.05
Weighted average contractual life remaining (years)		4.14		3.99

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(d) Share Purchase Warrants

Share purchase warrants outstanding as at March 31, 2018 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2017	Issued	Balance March 31, 2018
$0.05	February 20, 2019 (Note 1)	3,105,000	-	3,105,000
$0.05	June 10, 2019 (Note 2)	1,000,000	-	1,000,000
$0.10	October 5, 2021	16,584,000	-	16,584,000
$0.10	October 5, 2021	3,545,000	-	3,545,000
$0.10	October 5, 2021	120,000	-	120,000
$0.10	December 29, 2021	2,815,107	-	2,815,107
$0.10	December 29, 2021	105,600	-	105,600
$0.05	March 28, 2021	-	7,753,667	7,753,667
$0.05	March 28, 2021	-	29,190	29,190
		27,274,707	**7,782,857**	**35,057,564**
Weighted average exercise price		$0.09	$0.05	$0.08
Weighted average contractual life remaining (years)		3.41		3.12

(1) *Effective January 13, 2017 expiry date extended from February 20, 2017 to February 20, 2019.*
(2) *Effective January 13, 2017 expiry date extended from June 10, 2017 to June 10, 2019.*

(e) Fair Value Determination

The weighted average fair value of options granted was $nil (2017 - $0.05) and finders warrants issued was $0.03 (2017 - $nil). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2018	2017
Risk-free interest rate	1.92%	1.09%
Expected share price volatility	185.83%	183.59%
Expected life (years)	3.00	5.00
Expected dividend yield	0.00%	0.00%

The expected volatility assumptions have been developed taking into consideration historical volatility of the Company's share price. The total calculated fair value of share-based payments recognized was as follows:

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(e) Fair Value Determination, continued

		2018		2017
Consolidated Statements of Comprehensive Loss				
Directors and officers	$	-	$	115,316
Consultants		-		86,487
		-		201,803
Consolidated Statements of Changes in Equity (Deficit)				
Finders' warrants		758		-
Total	$	758	$	201,803

8. Segmented Information

The Company has one operating segment, the acquisition and exploration of mineral properties. As at March 31, 2018, the Company's non-current assets were located in Canada ($266,678) and the United States of America ($109,286).

9. Supplemental Cash Flow Information

		2018		2017
Cash comprised of:				
Cash	$	144,834	$	114,405
Cash reserved for flow-through expenditures		-		254,952
Total Cash	$	144,834	$	369,357
Cash Items				
Income tax paid	$	-	$	-
Interest paid	$	-	$	-
Interest received	$	-	$	-
Non-Cash Items				
Investing Activities				
Shares issued for mineral property	$	-	$	-
Mineral property acquisition in accounts payable	$	4,021	$	-
Mineral property acquisition in due to related parties	$	8,032	$	-
Financing Activities				
Subscriptions receivable	$	32,000	$	-

10. Events after the Reporting Period

Other than the transactions disclosed elsewhere in these condensed consolidated interim financial statements, the following occurred subsequent to March 31, 2018:

- On April 23, 2018, the Company closed the final tranche of a non-brokered private placement and issued 3,450,000 units at a price of $0.03 per unit for gross proceeds of $103,500 (subscriptions received of $7,500 as at March 31, 2018). Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable to purchase one common share at an exercise price of $0.05 per share for a period of three years.

  The Company also issued 140,000 finders' share purchase warrants exercisable to purchase one common share at an exercise price of $0.05 for a period of three years.