

# VR Resources Ltd

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## VR Resources is focusing on the steepest part of the value curve, as gold-silver and copper exploration continues apace in Nevada and Ontario

Work on the Nevada portfolio of VR Resources Ltd (CVE:VRR) is continuing unabated, in spite of the added complications of coronavirus.

The company's chief executive Mike Gunning is a firm believer that core value in a junior mining company is created by discoveries on the ground rather than by subsequent manoeuvres in the markets, and as such the pace of exploration work at VR has always been aggressive.

The coronavirus pandemic has slowed it down only slightly in Nevada, where mining has been deemed an essential industry, and access to all VR's projects is possible by road, meaning that if social distancing is required, there is a means to do that when exploration is supported by pick-up trucks and local hotels in well-established service hubs, as opposed to working in a remote exploration camp setting.

"Our fieldwork has been more or less uninterrupted," says Gunning, adding, "the County offices and Bureau of Land Management are working well through the pandemic."

That's a dynamic that's also been reflected in the company's news announcements. The most recent, relating to the acquisition of the Reveille silver project, included in its strapline the phrase "and commences exploration on the ground immediately", and indeed VR geologists are on the ground mapping and sampling at Reveille as this article is penned.

This immediate work on Reveille will certainly be worth watching, as the company fleshes out the opportunity there, and will provide investors with a welcome fillip while they wait for permits for what is likely to be the main event this year: drilling on the Amsel gold target located nearby.

Amsel is part of the wider Big Ten gold project, which lies within Nevada's world-famous Walker-Lane mineral belt of epithermal gold-silver deposits and mines active since the 1850's, anchored today by the largest heap leach gold mine in the world at Round Mountain, and a belt buzzing with activity from junior exploration companies.

"We hope to be drilling at Amsel this fall, pending receipt of our permit by the end of summer," says Gunning.

"Starting in January our preparatory work on the Amsel permit has been more or less uninterrupted, and we hope to complete perhaps half a dozen first-pass drill holes in September-October."

The basic target is an induced polarization geophysical anomaly that measures approximately 700 metres by 900 metres laterally. But there's more to it than that.

**Price:** 0.32

**Market Cap:** \$22.78 m

### 1 Year Share Price Graph



### Share Information

**Code:** VRR

**Listing:** TSX-V

**52 week High Low**  
0.5 0.155

**Sector:** General mining & base metals

**Website:** vrr.ca

### Company Synopsis:

VR is a new listing in the junior exploration space (TSX: V: VRR; Frankfurt: 5VR; OTCBB: VRRCF). The diverse experience and proven track record of its Board in early-stage exploration and discovery is the foundation of VR. The Company is focused on exploring for large copper-gold mineral systems in the western United States.

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The anomaly is within an intense potassium-alteration anomaly some two by three kilometres in size and provides a compelling analogue to Kinross Gold Corp's giant Round Mountain gold deposit and mine to the north.

It is this similarity which has been whetting the appetites of investors for some months now, such that the company recently completed an oversubscribed financing for some C\$2.2m, and VR Resources' share price has more than doubled since it hit its coronavirus-related lows on March 23.

The shares are now within an ace of their three-year high of C\$0.43, and with exploration work continuing apace, drilling planned for Amsel, and the company's only too apparent ability to source and execute opportunistic deals, there is every chance they could still go higher.

This atmosphere of positivity is enhanced both by the backdrop of the strong gold price and by an acknowledgement that the company's own cash position, pegged at C\$3.7m currently, will take it all the way through 2021. Any upcoming uncertainties around financings or dilution are thus out of the way, and the market can devote its full attention to the results that are likely to start coming out of Nevada shortly.

While all that's going on, plans for work on the Ranoke copper project in Ontario, and the newly acquired adjacent Hecla-Kilmer property, are also in hand.

The exigencies of the coronavirus crisis put a stop to VR's drilling campaign in Ranoke this past spring, but desktop work has been continuing, and an airborne electromagnetic survey is currently underway to evaluate the large target at the newly acquired Hecla-Kilmer property.

"The general plan is to go back in to Ranoke and Hecla-Kilmer for a short four-to-six week drill programme later in the year, before the winter season sets in," says Gunning.

So right around the time when things are heating up at Amsel, there'll also be renewed emphasis on the Ontario portfolio, where some really big iron-oxide-copper-gold breccia targets are on offer.

And after that, given that work is proceeding apace, what is Gunning's vision for the company and its assets?

"The real goal is discovery," he says.

"What's important is your ability to execute on the ground. It's where you can create value for shareholders, and it's the reason people invest in VR - we try to translate funds into exploration, and in-turn, discovery value."

All told, it's unlikely that the VR team will end up building mines at any of these projects, and Gunning envisages at some stage doing what he calls an industry-standard "baton-toss" which passes a given asset on to a developer to work it towards production.

That's not because VR doesn't have the skills to take projects into production, but rather because the company focuses on the opportunities for value creation at the earlier stages of the exploration and development cycle. Gunning has had successes taking this approach in the past.

"When I look at targets like Amsel or Hecla-Kilmer," he says, "I think if we can advance them to drill-testing, successfully make a discovery and show the mining industry the target is real and that we have a shot at defining a significant mineral deposit, from scratch, then that's the steepest part of the value creation curve that I want to put on the table for our shareholders."

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