VVC EXPLORATION CORPORATION

Consolidated Financial Statements
Years ended January 31, 2015 and 2014

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Independent Auditors' Report

To the Shareholders of VVC Exploration Corporation

We have audited the accompanying consolidated financial statements of VVC Exploration Corporation, which comprise the statements of financial position as at January 31, 2015 and 2014, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of VVC Exploration Corporation as at January 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on VVC Exploration Corporation's ability to continue as a going concern.

MNP LLP

Other Matters

The consolidated statement of financial position as at February 1, 2013 has been derived from the statement of financial position as at January 31, 2013 (not presented herein). The consolidated financial statements as at January 31, 2013 and for the year then ended (prior to the restatement due to a change in accounting policy described in Note 21 were audited by MSCM LLP, prior to its merger with MNP LLP. MSCM LLP expressed an unmodified opinion on those statements on May 31, 2013.

We have audited the adjustments described in Note 21 that were applied to the consolidated statement of financial position and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows as at, and for the year ended, January 31, 2014 and to derive the consolidated statement of financial position as at February 1, 2013. In our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
June 1, 2015

MNP LLP

VVC Exploration Corporation

Consolidated Statements of Financial Position

		(restated - note 21)	(restated - note 21)
	January 31, 2015	January 31, 2014	February 1, 2013
Assets			
Current assets			
Cash	**$ 21,125**	$ 198,811	$ 513,674
Deposits and other receivables (note 4)	**28,110**	35,276	80,530
Note receivable (note 5)	**528,241**	208,000	-
	577,476	442,087	594,204
Investment in associate (note 6)	**1,890,935**	2,020,722	-
Equipment (note 7)	**-**	13,010	2,921
	$ 2,468,411	$ 2,475,819	$ 597,125
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (notes 9, 10, and 11)	**$ 692,128**	$ 739,569	$ 182,022
Income taxes payable	**-**	-	7,835
Due to related party (note 10)	**-**	-	504,562
Short-term debt (note 11)	**167,400**	218,000	-
	859,528	957,569	694,419
Shareholders' equity			
Share capital (note 12)	**27,306,244**	26,264,963	23,426,643
Common shares to be issued (note 12)	**-**	438,705	-
Contributed surplus (notes 12 and 13)	**6,704,371**	5,849,518	5,724,003
Deficit	**(32,401,732)**	(31,034,936)	(29,247,940)
	1,608,883	1,518,250	(97,294)
	$ 2,468,411	$ 2,475,819	597,125

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

Going Concern (note 1)
Event after the reporting period (note 1)

Approved by the Board

signed: *"James Culver"*
Director

signed: *"Terrence Martell"*
Director

VVC Exploration Corporation

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended January 31,	2015	(restated - note 21) 2014
Expenses		
Stock-based compensation (notes 10 and 12)	**$ 270,395**	$ 125,515
Management and consulting fees (note 10)	**257,166**	264,609
Investor relations	**176,572**	131,164
Mineral exploration expenses (note 8)	**170,647**	936,636
Professional fees	**146,874**	100,410
Travel and promotion	**64,579**	63,586
Office and sundry	**53,538**	64,208
Listing and transfer fees	**40,565**	17,382
Interest expense	**37,021**	74,946
Telephone	**8,930**	12,444
Depreciation	**4,972**	2,362
Bank charges	**4,894**	6,726
Rent	**3,069**	17,925
	1,239,222	1,817,913
Other income:		
Foreign exchange (loss) gain	**(7,284)**	27,285
Share of loss from equity accounted investee (note 6)	**(129,787)**	(2,120)
Impairment of equipment	**(2,135)**	-
Interest income	**11,632**	-
Loss before income taxes	**(1,366,796)**	(1,792,748)
Income tax provision (recovery)	**-**	5,752
Net loss and comprehensive loss for the year	**$ (1,366,796)**	$ (1,786,996)
Basic and diluted loss per share (note 14)	**$ (0.01)**	$ (0.02)

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

VVC Exploration Corporation

Consolidated Statements of Changes in Shareholders' Equity

	2015	(restated - note 21) 2014
Share Capital		
Beginning balance	**$ 26,264,963**	$ 23,426,643
Shares issued for the acquisition of Camex (note 12(b)(iii))	**-**	2,995,000
Compensation shares issued	**-**	96,250
Sale (redemption) of repurchased treasury shares	**160,453**	(252,930)
Private placements	**830,885**	-
Shares issued on debt settlement	**204,612**	-
Funds transferred from shares to be issued	**438,705**	-
Shares issued as share issue costs	**13,475**	-
Share issue costs	**(22,391)**	-
Fair value of warrants issued	**(584,458)**	-
Balance January 31,	**27,306,244**	26,264,963
Shares to be Issued		
Beginning balance	**438,705**	-
Transferred to share capital	**(438,705)**	438,705
Balance January 31,	**-**	438,705
Contributed Surplus		
Beginning balance	**5,849,518**	5,724,003
Stock-based compensation	**270,395**	125,515
Fair value of warrants issued	**584,458**	-
Balance January 31,	**6,704,371**	5,849,518
Deficit		
Beginning balance	**(31,034,936)**	(29,247,940)
Net loss	**(1,366,796)**	(1,786,996)
Balance January 31,	**(32,401,732)**	(31,034,936)
Total shareholders' equity	**$ 1,608,883**	$ 1,518,250

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

VVC Exploration Corporation
Consolidated Statements of Cash Flows

For the Years Ended January 31,	**2015**	(restated - note 21) 2014
Cash flow from operating activities		
Loss for the year	**$ (1,366,796)**	$ (1,786,996)
Items not affecting cash:		
Depreciation	**4,972**	2,362
Share of loss from equity accounted investee	**129,787**	2,120
Accrued interest	**(12,000)**	-
Stock-based compensation	**270,395**	221,765
Impairment of equipment	**2,135**	-
Mineral properties acquired in Camex acquisition	**-**	289,689
	(971,507)	(1,271,060)
Other uses of cash from operations:		
Deposits and other receivable	**7,166**	48,759
Income taxes payable	**-**	(7,835)
Accounts payable and accrued liabilities	**69,020**	423,205
	(895,321)	(806,931)
Cash flow from investing activities		
Cash received (given up) on the acquisition (disposition) of subsidiary	**(1,196)**	4,266
Purchase of equipment	**-**	(903)
Increase in note receivable	**(280,991)**	-
	(282,187)	3,363
Cash flow from financing activities		
Common shares issued for cash, net of issue costs	**821,969**	-
Cash received on sale of treasury shares	**160,453**	-
Proceeds received from common shares to be issued	**-**	438,705
Short-term debt	**17,400**	50,000
	999,822	488,705
Change in cash	**(177,686)**	(314,863)
Cash, beginning of year	**198,811**	513,674
Cash, end of year	**$ 21,125**	$ 198,811
Supplemental cash flow information:		
Shares paid for debt settlement (note 12(b)(ii))	**$ 204,612**	$ -
Shares paid for Camex acquisition (note 12(b)(iii))	**$ -**	$ 2,995,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

VVC Exploration Corporation (the "Company") was incorporated on April 11, 1983 under the Company Act (British Columbia) and in August 2003, was continued federally under the Canada Business Corporations Act. The Company's principal business activities include the exploration and development of precious metals mineral properties in Canada and Mexico. The Company's registered address is 121 Richmond Street West, Suite 501, Toronto, Ontario M5H 2K1, Canada.

For the Company's exploration stage mineral properties, the Company is in the process of exploration and has not yet determined whether they contain economically recoverable reserves. The ability of the Company to continue as a going concern is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, maintenance of the Company's interest in the underlying mineral claims and leases, and upon future profitable production from or the proceeds from the disposition of its mineral properties.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. As at January 31, 2015, the Company has accumulated losses of $32,401,732 and a working capital deficiency of $282,052.

These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These audited consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements were approved by the Board of Directors on June 1, 2015.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, VVC Exploracion de Mexico, S. de R.L. de C.V., incorporated under the laws of Mexico, Camex Mining Development Group Inc. ("Camex"), a company incorporated under the laws of Canada and its wholly-owned subsidiary Exploracion Meus de Mexico S.A. de C.V. ("Meus") since October 1, 2014. Meus was disposed during the year (see note 19). All intercompany transactions and balances have been eliminated upon consolidation.

Change in accounting policy

During the year ended January 31, 2015, the Company retrospectively changed its accounting policy for exploration expenditures to a more relevant and reliable accounting policy. Prior to the year ended January 31, 2015, the Company capitalized exploration expenditures and acquisition costs related to mineral properties. Effective February 1, 2014 (and retrospectively applied to February 1, 2013) exploration and evaluation expenditures, including acquisition costs of mineral properties, property option payments, and evaluation activities, are now charged to earnings as they are incurred until the mineral property has been established as commercially viable and technically feasible, at which point related development expenditures are capitalized. The impact of this change on the previously reported January 31, 2014 consolidated financial statements is described in (note 21).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments
Financial instruments are required to be classified as one of the following: held-to-maturity; loans and receivables, fair value through profit or loss ("FVTPL"); available-for-sale or other financial liabilities.

Fair value through profit or loss financial assets are measured at fair value with gains and losses recognized in operations. Financial assets held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive loss.

The Company's financial instruments are classified as follows:

Financial assets	*Classification*
Cash	FVTPL
Other receivables	Loans and receivables
Note receivable	Loans and receivables
Financial liabilities	*Classification*
Accounts payable and accrued liabilities	Other financial liabilities
Short-term debt	Other financial liabilities
Due to related parties	Other financial liabilities

Fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of a financial instrument that is quoted in active markets is based on the bid price for a financial asset held and the offer price for a financial liability. When an independent price is not available, fair value is determined by using a valuation which refers to observable market data. Such a valuation technique includes comparisons with a similar financial instrument where an observable market price, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants exist. If no reliable estimate can be made, an the Company is permitted to measure the financial instrument at cost less impairment.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

At January 31, 2015 and January 31, 2014, cash was measured using level 1 inputs.

Investment in associate
The Company accounts for its investments in companies over which it has significant influence using the equity basis of accounting whereby the investments are initially recorded at cost and subsequently adjusted to recognize the Company's share of earnings or losses of the investee and reduced by dividends received, if any. The carrying values of investments are reviewed for indicators of impairment and written down to the estimated recoverable amount when there is evidence of impairment. Such impairment is recorded in the consolidated statements of loss and comprehensive loss.

Equipment
Equipment is recorded at cost. Amortization is provided over the expected useful life of the equipment as follows:

Computer equipment	30% declining balance
Small equipment	20% declining balance

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral properties
Mineral property acquisition costs and related direct exploration and development expenditures, net of recoveries, are charged to the consolidated statements loss and comprehensive loss. Mineral property expenses include any cash consideration paid and the fair market value of shares issued, if any, on the acquisition of property interests.

Impairment of long-lived assets
The Company's tangible and intangible assets are reviewed for indications of impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. An assessment is made at each reporting date whether there is any indication that an asset may be impaired.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the year. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment write-down of $2,135 has been recorded in the consolidated statements of loss and comprehensive loss in respect of the Company's equipment (January 31, 2014 - $Nil).

Stock-based compensation
Stock options and warrants awarded to non employees are accounted for using the fair value of the instrument awarded or service provided whichever is considered more reliable. Stock options and warrants awarded to employees are accounted for using the fair value method. The fair value of such stock options and warrants granted is recognized as an expense on a proportionate basis consistent with the vesting features of each tranche of the grant. The fair value is calculated using the Black-Scholes option pricing model with assumptions applicable at the date of grant.

Loss per share
Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year after giving effect to potentially dilutive financial instruments. The dilutive effect of stock options and warrants is determined using the treasury stock method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes
Income tax on the profit or loss for the periods presented consists of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized either profit or loss and comprehensive income or loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent their future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Foreign exchange
The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

The Company recognizes transactions in currencies other than the Canadian dollar (foreign currencies) at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Measurement uncertainty
The preparation of financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those reported.

Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to the recoverability of the Company's investment in associate and its note receivable, stock-based compensation, and composition of future income tax assets and liabilities.

The Black-Scholes option valuation model used by the Company to determine fair values was developed for use in estimating the fair value of freely traded options. This model requires the input of highly subjective assumptions including future stock price volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimates, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants granted during the year. Future income taxes are based on estimates as to timing of the reversal of temporary differences and tax rates currently substantively enacted. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

3. RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9, Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning February 1, 2018, but has not yet considered the potential impact of its adoption.

4. DEPOSITS AND OTHER RECEIVABLES

		January 31, 2015		January 31, 2014		February 1, 2013
Sales tax recoverable	**$**	**17,549**	$	27,402	$	28,045
Prepaid expenses		**10,561**		2,227		15,000
Other advances		**-**		5,647		-
Subscriptions receivable		**-**		-		37,485
Balance	**$**	**28,110**	$	35,276	$	80,530

5. NOTE RECEIVABLE

A promissory note in the principal amount of $100,000 is receivable from Samalayuca Cobre S.A de C.V. ("Samalayuca"), a mineral exploration Company based in Mexico, in which the Company holds a 33.75% interest (see note 6). The note bears interest at an annual rate of 12% and was repayable on December 31, 2014. However, it is expressly agreed that if there is default in the payment of any installment of principal or interest when due, then the entire principal amount, together with interest, shall become immediately due and payable. As at January 31, 2015, no interest had been paid. Therefore, the entire principal amount, together with interest, became due and payable and is thus presented as current.

On September 10, 2013, Camex transferred 1,000,000 shares of the Company, valued at $75,000, to the vendors of the Samalayuca mineral property on behalf of Samalayuca. During the year ended January 31, 2015, the Company also issued 545,000 units, valued at $27,250 (see note 12(b)) to the vendors of the Samalayuca mineral property on behalf Samalayuca. These shares and units were accepted in satisfaction of required payments under a Mining Exploration and Rights Assignment Contract between Samalayuca and the property vendors. The amount advanced is non-interest bearing and has no set terms of repayment. An additional amount of $293,991 has been advanced to Samalayuca which is non-interest bearing and has no set terms of repayment. Interest income of $12,000 has been accrued during the year ended January 31, 2015 (2014 - $20,000) on the amount loaned to Samalayuca as at January 31, 2015.

Details of the the note receivable are as follows:

		January 31, 2015		January 31, 2014		February 1, 2013
Interest bearing loan	**$**	**100,000**	$	100,000	$	-
Cash advances		**293,991**		13,000		-
Shares issued in lieu of property payments		**75,000**		75,000		-
Units issued in lieu of property payments		**27,250**		-		-
		496,241		188,000		-
Accrued interest		**32,000**		20,000		-
Total	**$**	**528,241**	$	208,000	$	-

6. INVESTMENT IN ASSOCIATE

The Company, through its wholly-owned subsidiary, Camex Mining Development Group Inc., owns 45,000 (33.75%) of the outstanding common shares of Samalayuca. The Company has determined that it exercises significant influence over Samalayuca and has accounted for its investment in Samalayuca's shares using the equity method.

Changes in the Company's investment in associate during the year are as summarized as follows:

	January 31, 2015	January 31, 2014
Investment, beginning of year	**$ 2,020,722**	$ -
Acquisition of equity interest in associate	**-**	2,022,842
Share of total comprehensive loss of associate for the year	**(129,787)**	(2,120)
Investment balance	**$ 1,890,935**	$ 2,020,722

Summarized financial information of the investee is as follows:

	January 31, 2015
Current assets	**$ 121,101**
Non-current assets	**$ 524**
Current liabilities	**$ 612,089**
Loss from operations	**$ 384,538**

7. EQUIPMENT

	Small equipment	Computer equipment	**Total**
Cost			
Balance, February 1, 2013	$ -	$ 41,913	**$ 41,913**
Additions	12,451	-	**12,451**
Disposals	-	-	**-**
Balance, January 31, 2014	12,451	41,913	**54,364**
Impaired assets	(677)	-	**(677)**
Disposals	(11,774)	(41,913)	**(53,687)**
Balance, January 31, 2015	$ -	$ -	**$ -**
Accumulated Depreciation			
Balance, February 1, 2013	$ -	$ 38,992	**$ 38,992**
Depreciation for the year	1,487	875	**2,362**
Disposals	-	-	**-**
Balance, January 31, 2014	1,487	39,867	**41,354**
Depreciation/impairment	4,983	2,046	**7,029**
Disposals	(6,470)	(41,913)	**(48,383)**
Balance, January 31, 2015	$ -	$ -	**$ -**
Carrying Amounts			
At February 1, 2010	$ -	$ 2,921	**$ 2,921**
At January 31, 2014	$ 10,964	$ 2,046	**$ 13,010**
At January 31, 2015	$ -	$ -	**$ -**

8. MINERAL PROPERTY EXPENDITURES AND RECOVERIES

The table below summarizes the cumulative exploration costs of the Company's active properties:

	La Tuna	Cumeral	Timmins	Escondida	**Total**
Mineral properties:					
Cumulative exploration expenditures, February 1, 2013	$ 109,193	$ 1,345,000	$ 458,729	$ -	**$ 1,912,922**
Exploration costs	1,771	601,962	-	353,281	**957,014**
Recoveries	(20,378)	-	-	-	**(20,378)**
Cumulative exploration expenditures, January 31, 2014	90,586	1,946,962	458,729	353,281	**2,849,558**
Exploration costs	88,901	377,404	-	-	**466,305**
Recoveries	-	-	-	(295,658)	**(295,658)**
Disposal of property	-	-	-	(57,623)	**(57,623)**
Cumulative exploration expenditures, January 31, 2015	179,487	2,324,366	458,729	-	**2,962,582**

Cumeral, Mexico
In April 2010, the Company finalized an agreement which provides an option to acquire a 100% interest in the 665 hectare gold mining project known as Cumeral (the "Cumeral Property"), consisting of three mining concessions in the State of Sonora, Mexico. The 100% interest in the Cumeral Property can be acquired for cash consideration of US$800,000 (CA$880,000) plus applicable taxes ("VAT"), payable over a period of three years and the issuance of 200,000 common shares of the Company (issued). The Cumeral Property is subject to the reservation of a 2% Net Smelter Return ("NSR"). A finder's fee of US$5,000 (CA$5,500) and 130,000 common shares of the Company was paid to third parties who were instrumental in arranging the transaction. The Company has a 100% interest in three additional mining concessions in the State of Sonora, Mexico.

La Tuna, Mexico
In March 2010, the Company completed the acquisition of a 3,533 hectare gold mining project known as La Tuna, located in the municipality of Alamos in the State of Sinaloa, Mexico. The Company acquired a 100% interest in La Tuna for cash consideration of US$40,000 (CA$39,968) plus VAT and 300,000 common shares of the Company. La Tuna is subject to the reservation of a 2% NSR with a buy-back option.

The Company does not plan further significant exploration activities on the La Tuna property.

8. MINERAL PROPERTIES AND DEFERRED PROPERTY ACQUISITION COSTS (continued)

Escondida

On October 18, 2013, the Company acquired all the issued and outstanding shares of Camex; as such, the Escondida property was ultimately acquired by the Company in the acquisition transaction. The Escondida property consists of 2 mineral concessions covering 178 hectares located in Sonora State, Mexico. On May 24, 2011, Camex, through its subsidiary, Meus, entered into an agreement with three individuals to assign a 100% interest in the 2 mineral concessions for US$502,000 (CA$552,200). The Company agreed to grant in favour of the assignees 1% of NSR as royalties derived from the exploitation of the concessions. At the same time, the Company may acquire preferentially the right to collect royalties by paying the assignees the price of US$700,000 (CA$770,000) plus value added tax (IVA) of which US$174,000 (CA$191,400) was paid.

Due to inadequate funding, the Company was unable to pay the required option payments that were due on November 24, 2013 and May 24, 2014. The Company subsequently lost its assignment of the Escondida property and sold Meus (see note 19). The recovery recognized on the sale of Meus has been included as a recovery of Escondida exploration costs as all activities in Meus related to the Escondida property.

Samalayuca

Through its 33.75% equity interest in Samalayuca (see note 6), the Company has an interest in the Samalayuca Copper Project, located in Chihuahua State, Mexico. Samalayuca has entered into a Mining Exploration and Rights Assignment Contract to acquire a 100% interest in the Samalayuca mining concession for aggregate payments of US$1,875,000 (CA$2,062,500) with payments of US$25,000 (CA$27,500) due every six months during the exploration phase.

Ontario properties

The Company holds a 9 claim unit property in Timmins Township of Ontario (the "Timmins Twp. Property"), located about 50km southeast of Timmins in Northern Ontario. The claims are in good standing until July 4, 2019.

9. ACCOUNTS PAYABLE

	January 31, 2015	January 31, 2014	February 1, 2013
Interest payable (note 11)	**$ 54,373**	$ 32,263	$ 74,920
Other trade payables	**146,143**	306,309	53,414
Payables related to mineral properties	**274,345**	200,545	45,778
Amounts payable to related parties (note 10)	**167,266**	200,452	7,910
Total	**$ 642,127**	$ 739,569	$ 182,022

10. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation to key management personnel were as follows:

	2015	2014
Compensation	**$ 245,266**	$ 267,250
Share-based payments *(1)*	**101,398**	107,326
Total	**$ 346,664**	$ 374,576

(1) Share-based payments are the fair value of options granted to key management personnel and expensed during the period or compensation shares issued.

During the year, the Company paid $16,000 (2014 - $39,500) to an individual related to the president of the Company for consulting services rendered in assisting the Company with arranging financing. The assistance came by way of arranging meetings, introductions and road shows. During the year, the Company issued Nil (2014 - 1,925,000) compensation shares to the officers, directors and certain consultants of the Company; $Nil (2014 - $96,250) has been recognized as expense in the consolidated statements of loss and comprehensive loss in respect of the vesting of these compensation shares.

During the year, officers and other related parties subscribed for 1,190,000 units of a non-brokered private placement for gross proceeds of $59,500.

Included in accounts payable and accrued liabilities is $167,266 (January 31, 2014 - $200,452; February 1, 2013 - $7,910) payable to key management personnel and directors. Due to related parties at February 1, 2013 of $504,562 relates to amounts borrowed from Camex and Meus prior to their acquisition (note 20).

11. SHORT-TERM DEBT

	January 31, 2015	January 31, 2014	February 1, 2013
Palos loan - on demand (i)	**$ 150,000**	$ 150,000	$ -
Palos loan - due March 31, 2014 (i)	**-**	50,000	-
Palos loan - compounded interest - due December 3, 2013 (i)	**-**	18,000	-
Aeris loan (ii)	**17,400**	-	-
Total short-term debt	**167,400**	218,000	-
Accrued interest (included in accounts payable and accrued liabilities)	**54,373**	32,263	-
Total	**$ 221,773**	$ 250,263	$ -

(i) Palos Loan

On June 12, 2012, Camex entered into a Credit Agreement with Palos Merchant Bank LP for a short-term loan of $150,000, secured by a promissory note bearing interest at 12% per annum, compounded monthly. The principal balance of the loan and accrued interest were due on June 11, 2013. No repayment was made on the principal and accrued interest by Camex and the loan became due on demand with interest accruing on the same basis as on the term of the loan.

11. SHORT-TERM DEBT (continued)

(i) Palos Loan (continued)
This short-term loan was acquired by the Company as part of the acquisition of Camex (note 20).

On December 13, 2013, the Company borrowed $50,000 from Palos Merchant Bank LP. The promissory note bears interest at 15% per annum, compounded monthly. The principal and accrued interest were due on March 13, 2014. The promissory note and accrued interest was settled on September 25, 2014 with the issuance of 1,110,550 common shares at price of $0.05 per share.

Accrued interest on the demand loan as at January 31, 2015 is $54,199 (2014 - $32,263) and is included in accounts payable and accrued liabilities.

(ii) Aeris Loan
On August 29, 2014, the Company's subsidiary, Camex, signed a loan facility agreement with Aeris Trading Corp. (the “Lender”) for a loan of up to US$4 million. The loan will provide funds for the completion of the permit and mine planning process on the Samalayuca Copper project in Northern Chihuahua Mexico which is 33.75% owned by the Company (note 6). Once the planned pilot mine is operating, the loan will be repaid from the proceeds of the Company's share of the Samalayuca mining revenue.

The loan facility agreement is for US$2 million initially but can be extended to US$4 million, once mining permits for the Samalayuca Copper Project are received. After the first US$250,000 has been provided, subsequent draw-downs will be limited to US$500,000 per month thereafter up to US$2 million. Interest on the loan is set at 12% per annum, with the first year’s interest prepaid. The loan is for a maximum of 5 years and requires that one half of the revenue to be received from the Samalayuca Copper pilot mining project be used for loan repayment until the loan is paid in full. In addition, for each US$500,000 drawn-down, the Company has agreed to provide to the Lender with 1,000,000 shares of common shares of the Company and 2,000,000 share purchase warrants expiring in 5 years, aggregating 8,000,000 shares and 16,000,000 warrants if the full US$4 million is advanced. The exercise price of the warrants is $0.08 per share for the first 2 years and $0.12 per share for years 3 through 5.

To induce Lender, the Company has pledged to the Lender, on a proportional basis, 22,500 shares of Samalayuca (the "SC Shares") representing half of its 33.75% interest. The first US$2 million loan commitment will be secured with 11,250 Samalayuca Shares to be placed in escrow upon the first closing. The final 11,250 SC Shares shall be placed in escrow following the commencement of a drawn-down on the second US$2 million. In both cases, the SC Shares shall be placed in escrow by Lender to the law firm of DFK International, in Chihuahua Mexico who will act as Escrow Agent. The SC Shares will be released from escrow, on the basis of half after the first two million is repaid, and the other half when the balance of the loan is repaid. Should there be a default by the Borrower, which is not cured in the allotted time, a number of SC Shares will be delivered to the lender by the Escrow Agent calculated on a prorate basis of the principal amount of the loan in default.

As at January 31, 2015, $17,400 (US$15,000) was drawn and is owing on this loan facility. Accrued interest is $174 (US$150).

12. SHARE CAPITAL

(a) Authorized
Unlimited common shares without par value

(b) Issued

	Number of shares	Amount
Balance, February 1, 2013	90,222,581	$ 23,426,643
Shares issued on acquisition of Camex (iii)	59,900,000	2,995,000
Treasury shares acquired on acquisition of Camex (iii)	(5,058,594)	(252,930)
Shares issued as share issue costs (iv)	1,925,000	96,250
Balance, January 31, 2014	146,988,987	$ 26,264,963
Shares issued on private placements (i)	25,376,800	1,269,590
Valuation of share purchase warrants issued on private placements (i)	-	(515,800)
Compensation shares issued (i)	269,500	13,475
Share issue costs (i)	-	(22,391)
Sale of treasury shares (iii)	5,058,594	160,453
Shares issued to make property option payments on behalf of Samalayuca (ii)	545,000	27,250
Shares issued to settle debts and accounts payable (ii)	3,547,250	177,362
Valuation of share purchase warrants issued on Samalayuca option payment and on settlement of debt and accounts payable (ii)	-	(68,658)
Balance, January 31, 2015	181,786,131	$ 27,306,244

(i) During the year ended January 31, 2015, the Company completed multiple non-brokered private placements aggregating to 25,376,800 units of the Company at a price of $0.05 per unit for gross proceeds of $1,269,590. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.12 per share for two years and $0.18 thereafter until March 4, 2019 and October 22, 2019 respectively. $438,705 of the gross proceeds were received prior to the reporting date and were included in common shares to be issued at January 31, 2014 (note 12(e)). The Company paid $22,391 in finders' fees of which $8,916 was paid in cash and $13,475 was paid by the issuance of 269,500 shares of the Company.

The fair value of the share purchase warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, average risk-free interest rate of 0.96%, average volatility of 116%, and estimated life of 5 years. The estimated fair value assigned to the warrants was $515,800.

Officers and other related parties subscribed for 1,190,000 units of the non-brokered private placement for gross proceeds of $59,500.

12. SHARE CAPITAL (continued)

(b) Issued (continued)

(ii) On September 25, 2014, the Company settled $177,362 of debt and accounts payable by issuing 1,770,550 shares and 1,776,700 units at a price of $0.05 per share and $0.05 per unit respectively. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.12 per share for two years and $0.18 thereafter until September 25, 2019.

In addition to settling debts and accounts payable, the Company also issued 545,000 units at a price of $0.05 per unit, for a total value of $27,250 to the vendors of the Samalayuca mineral property on behalf of its associate, Samalayuca. These units were accepted in satisfaction of required payments under a Mining Exploration and Rights Assignment Contract between Samalayuca and the property vendors. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.12 per share for two years and $0.18 thereafter until September 25, 2019.

The fair value of the share purchase warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, risk-free interest rate of 0.96%, volatility of 120%, and estimated life of 5 years. The estimated fair value assigned to the warrants was $68,658.

(iii) On October 15, 2013, the Company acquired all the issued and outstanding shares of Camex in exchange for 59,000,000 shares of the Company at a price of $0.05 per share for aggregate purchase price of $2,995,000 (note 20). At the time of acquisition, Camex held 5,058,594 common shares of the Company which have been accounted for as a purchase of treasury shares valued at $252,930.

During the year ended January 31, 2015, the Company re-sold the 5,058,594 treasury shares to unrelated third parties for proceeds of $160,453.

(iv) During the year ended January 31, 2014, the Company issued 1,925,000 compensation shares to officers, directors, and consultants of the Company at a price of $0.05 per share for a total value of $96,250 which has been included in management and consulting fees expense in the consolidated statements of loss and comprehensive loss.

(c) Stock Options

The Company grants options pursuant to the policies of the TSX Venture Exchange with respect to eligible persons, exercise price, maximum options per person and termination of eligible person status. Options granted vest as to 25% upon grant and 25% each six months thereafter.

Stock option transactions and the number of stock options outstanding were as follows:

	Number of Options	Weighted Average Exercise Price
Balance, February 1, 2013	2,621,000	$ 0.26
Granted	8,000,000	0.07
Expired/cancelled	(586,000)	0.30
Balance, January 31, 2014	10,035,000	0.10
Expired/cancelled	(935,000)	0.29
Balance, January 31, 2015	9,100,000	$ 0.08

12. SHARE CAPITAL (continued)

(c) Stock Options (continued)

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at January 31, 2015 are as follows:

Options Outstanding					**Options Exercisable**		
Exercise Range	Number Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number Exercisable		Weighted Average Exercise Price
$0.06 - $0.14	8,000,000	$	0.065	3.97	6,000,000	$	0.06
$0.15 - $0.20	1,100,000	$	0.200	6.71	1,100,000	$	0.20
	9,100,000	$	0.08	4.30	7,100,000	$	0.09

No stock options were granted during the year. During 2014, the Company granted 8,000,000 stock options to purchase common shares at a price of $0.065 for a period of 5 years. The fair value of 8,000,000 stock options granted in 2014 was estimated at $420,960 using the Black-Scholes model for pricing stock options. Assumptions used in pricing the stock options were:

	2014
Risk free interest rate	1.66%
Dividend yield	NIL
Expected stock volatility	114.98%
Expected life	5 years
Stock price on date of grant	0.065

Stock-based compensation expense of $270,395 (2014 - $125,515) for the year relates to the vesting of stock options that were granted in prior years recognized as an expense consistent with their vesting features.

(d) Warrants

The following table reflects the continuity of warrants:

	Number of Warrants		Weighted Average Exercise Price
Balance, February 1, 2013 and January 31, 2014	28,571,620	$	0.18
Granted	27,698,500		0.12
Balance, January 31, 2015	56,270,120	$	0.15

12. SHARE CAPITAL (continued)

(d) Warrants (continued)

The weighted average remaining contractual life and weighted average exercise price of warrants outstanding are as follows:

Expiry date	Exercise price	Outstanding
July 27, 2017 *	$0.18	7,751,620
January 25, 2018 *	$0.18	19,170,000
March 4, 2019	$0.12 - $0.18 **	17,149,500
September 25, 2019	$0.12 - $0.18 **	2,321,700
October 22, 2019	$0.12 - $0.18 **	8,227,300
	$0.15	**54,620,120**

* *Prior to expiry, the expiry dates of 7,751,620 and 19,170,000 warrants were extended to July 27, 2017 and January 25, 2018, respectively.*

** *On their second anniversary (three years before expiry) the exercise price of these warrants increases from $0.12 to $0.18.*

(e) Shares to be issued

In 2014, the Company received $438,705 for units to be issued as part of a future private placement financing. During the year ended January 31, 2015, $438,705 was transferred from shares to be issued to share capital upon completion a private placement that closed on March 5, 2014 (note 12(b)(i)).

13. CONTRIBUTED SURPLUS

The following table reflects the continuity of contributed surplus:

Balance, February 1, 2013	$ 5,724,003
Stock-based compensation	125,515
Balance, January 31, 2014	5,849,518
Stock-based compensation	270,395
Fair value share purchase warrants issued	584,458
Balance, January 31, 2015	$ 6,704,371

14. LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	2015	(restated - note 21) 2014
Numerator		
Net loss	**$ (1,366,796)**	$ (1,786,996)
Denominator		
Weighted average number of common shares outstanding, basic and diluted	**171,603,398**	107,159,368
Basic and diluted loss per share	**$ (0.01)**	$ (0.02)

The potential effect of the exercise of 9,100,000 (2014 - 10,035,000) stock options and 54,620,120 (2014 - 28,571,620) warrants has not been included in the above calculation as their inclusion would be anti-dilutive.

15. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being mineral exploration. As at January 31, 2015, the Company's mineral resource properties are located in Mexico and Canada and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues.

A summary of total assets by geographic region is as follows:

January 31, 2015	**Canada**	**Mexico**	**Total**
Current assets	$ 278,814	$ 298,662	**$ 577,476**
Investment in associate	-	1,890,935	**1,890,935**
	$ 278,814	$ 2,189,597	**$ 2,468,411**

January 31, 2014 (restated)	**Canada**	**Mexico**	**Total**
Current assets	$ 240,799	$ 201,288	**$ 442,087**
Investment in associate	-	2,020,722	**2,020,722**
Equipment	2,044	10,966	**13,010**
	$ 242,843	$ 2,232,976	**$ 2,475,819**

February 1, 2013 (restated)	**Canada**	**Mexico**	**Total**
Current assets	$ 518,517	$ 75,687	**$ 594,204**
Equipment	2,921	-	**2,921**
	$ 521,438	$ 75,687	**$ 597,125**

16. CAPITAL MANAGEMENT

In the management of capital, the Company includes shareholders' equity excluding accumulated other comprehensive income. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value and respond to changes in economic and/or market conditions; to retain a strong capital base so as to maintain investor, creditor, and market confidence; and to safeguard the Company's ability to obtain financing should the need arise.

In maintaining its capital, the Company has a strict investment policy which includes investing its surplus capital only in highly liquid and highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Interest rate and credit risk
It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from its financial instruments given their short term nature (note 2) except in relation to the Company's investment in, and note receivable from, its associate, Samalayuca.

As at January 31, 2015, the Company holds a 33.75% interest in Samalayuca as described in note 6 and a note receivable from Samalayuca as described in note 5 for a combined value of $2,419,176 (January 31, 2014 - $2,228,722; February 1, 2013 - $Nil). One of the key assumptions made in the preparation of these consolidated financial statements is that the Samalayuca Copper Project will successfully generate cash flows and the Company will recover these amounts.

Liquidity Risk
The Company has no income and relies on equity financing to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at January 31, 2015, the Company does not have sufficient capital to fund its operations over the next twelve months. As at January 31, 2015, the Company had a cash balance of $21,125 (January 31, 2014 - $198,811; February 1, 2013 - $513,674) to settle current liabilities of $859,528 (January 31, 2014 - $957,569; February 1, 2013 - $694,419).

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commodity price risk is remote since the Company is not a producing entity.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis
The Company does engage in significant transactions and activities in currencies other than its reported currency. The Company's exploration activities are primarily in Mexico; accordingly, the resulting assets and liabilities are exposed to foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts receivable and accounts payable and accrued liabilities that are denominated in Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss by approximately $24,480 (January 31, 2014 - $5,819; February 1, 2013 - $39,801).

18. INCOME TAXES

a) Provision for income taxes, current and future

The following table reconciles the expected income tax recovery at the Canadian Federal and Provincial statutory rate of 26.7% (2014 - 26.7%) to the amount recognized in the consolidated statement of operations:

	2015	(restated - note 21) 2014
Loss before provision for income taxes	**$ (1,366,796)**	$ (1,792,748)
Income tax recoverable based on statutory rates:	**$ (364,930)**	$ (478,660)
Increase (decrease) resulting from:		
Difference in foreign tax rates	**720**	(27,710)
Tax rate changes and other adjustments	**(114,930)**	(92,593)
Non-deductible expenses	**157,740**	(143,042)
Effect of acquisition/disposition	**257,890**	(196,720)
Expiry of losses	**191,860**	-
Change in tax benefits not recognized	**(128,350)**	932,973
Income tax provision (recovery)	**$ -**	$ (5,752)

b) Unrecognized deferred tax assets

Deferred income taxes are provided as a result of temporary differences that arise due to the difference between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following items:

	2015	2014
Capital losses	**$ 940,430**	$ 1,201,030
Non-capital losses - Canada	**8,586,330**	8,589,430
Non-capital losses - Mexico	**1,954,450**	2,762,040
Share issue costs	**51,180**	65,060
Mineral properties	**1,206,380**	1,206,380
Equipment	**40,940**	39,760

The Canadian non-capital losses expire as noted in the table below. The Mexico non-capital losses expire between 2020 and 2025. The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue and financing costs will be fully amortized in 2019. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

18. INCOME TAXES (continued)

b) Unrecognized deferred tax assets (continued)

The Canadian non capital losses expire as follows:

2026	**$ 859,310**
2027	**898,180**
2028	**670,580**
2029	**863,500**
2030	**988,640**
2031	**1,452,590**
2032	**901,340**
2033	**594,210**
2034	**660,680**
2035	**697,300**
	$ 8,586,330

During the year ended January 31, 2015, $718,352 of non capital losses, originated in 2005, expired.

19. SALE OF EXPLORACION MEUS DE MEXICO S.A. DE C.V

On October 1, 2014, the Company sold all the shares of its wholly-owned subsidiary Exploracion Meus de Mexico S.A. de C.V. to a third party. The shares were sold in exchange for the settlement of $176,854 of accounts payable. At the time of disposal, Meus' deficiency in assets was 118,804; as a result, a recovery of $295,658 is included in the Company's exploration activities (note 8).

20. ACQUISITION OF CAMEX

On October 18, 2013, the Company completed the acquisition of Camex and its wholly-owned Mexican Subsidiary, Meus. The Company acquired all of the issued and outstanding shares of Camex, including common, preferred, non-voting, voting and participating shares, as well as all options, warrants and other securities convertible into shares of Camex, in exchange for the issuance of 59,900,000 common shares of the Company. With this acquisition the Company is able to acquire additional mineral properties in Mexico, along with an interest in the Samalayuca property which is close to production. Details of the asset acquisition are as follows:

Fair value of 59,900,000 shares issued	$ 2,995,000
Transaction costs	128,970
	$ 3,123,970
Recognized amounts of identifiable net assets:	
Cash	$ 4,266
Trade, other receivables and prepaid expenses	365,870
Notes receivable	376,099
Investments in the equity of other companies	2,275,772
Property and equipment	11,548
Mineral property and exploration costs	289,689
Trade payables	(37,763)
Short-term debt	(161,511)
Net assets acquired	**$ 3,123,970**

20. ACQUISITION OF CAMEX (continued)

The acquisition was settled by issuing 59,900,000 shares of the Company. The fair value of the shares issued was based on the market value of the Company's traded shares on the acquisition date. Transaction costs incurred of $128,970 have been included in the cost of the net assets acquired.

Included in investments in the equity of other companies is 5,058,594 shares of the Company valued at $252,930. Since the Company is not allowed to hold its own shares as an investment, the shares were considered to have been redeemed on the date of acquisition and are carried as treasury shares (see note 12(b)(iii)).

21. ACCOUNTING POLICY CHANGE

During the year ended January 31, 2015, the Company retrospectively changed its accounting policy for exploration expenditures to a more relevant and reliable accounting policy as management believes that the change in accounting policy better represents the nature of the Company's development stage and exploration activities which may or may not result in a future economic benefit.

Prior to the year ended January 31, 2015, the Company capitalized exploration expenditures and acquisition costs related to mineral properties. Effective February 1, 2014 (and retrospectively applied to February 1, 2013) exploration and evaluation expenditures, including acquisition costs of mineral properties, property option payments, and evaluation activities, are now charged to earnings as they are incurred until the mineral property has been established as commercially viable and technically feasible, at which point related development expenditures are capitalized.

The impact of the change in accounting policy on the Consolidated statements of financial position, comprehensive loss, and cash flows is set out below:

		As previously reported		Adjustment		**As restated**
Consolidated Statement of financial position as at February 1, 2013						
Mineral properties	$	1,462,921	$	(1,462,921)	**$**	**-**
Deficit	$	(27,785,019)	$	(1,462,921)	**$**	**(29,247,940)**
Consolidated Statement of financial position as at January 31, 2014						
Mineral properties	$	2,308,971	$	(2,308,971)	**$**	**-**
Deficit	$	(28,725,965)	$	(2,308,971)	**$**	**(31,034,936)**

21. ACCOUNTING POLICY CHANGE (continued)

Consolidated Statement of comprehensive loss for the year ended January 31, 2014

Impairment of mineral properties	$	(90,586)	$	90,586	**$**	**-**
Mineral exploration expenses		-		(936,636)		**(936,636)**
Net loss and comprehensive loss	$	(940,946)	$	(846,050)	**$**	**(1,786,996)**
Basic and diluted loss per share	$	0.01	$	0.01	**$**	**0.02**

Consolidated Statement of cash flows for the year ended January 31, 2014

Loss for the year	$	(940,946)	$	(846,050)	**$**	**(1,786,996)**
Impairment of mineral properties		90,586		(90,586)		**-**
Mineral properties acquired in Camex acquisition		-		289,689		**289,689**
Other uses of cash from operations:						
Accounts payable and accrued liabilities		282,660		140,545		**423,205**
Cash flow from operating activities	$	(300,529)	$	(506,402)	**$**	**(806,931)**
Additions to mineral properties	$	(506,402)	$	506,402	**$**	**-**
Cash flow from investing activities	$	(503,039)	$	506,402	**$**	**3,363**

22. EVENT AFTER THE REPORTING PERIOD

Subsequent to January 31, 2015, the Company raised US$75,000 in convertible debenture financing. Subject to TSX approval, the debenture matures in six months and is renewable for up to two additional six month periods up to November 28, 2016, and bears interest at 2% per month. The debenture is convertible into units at a price of CA$0.05 per unit any time after four months from issuance. Each unit is exercisable for one common share and one warrant to purchase an additional share at CA$0.08 per share expiring on May 28, 2020.

21. ACCOUNTING POLICY CHANGE (continued)

Consolidated Statement of comprehensive loss for the year ended January 31, 2014

Impairment of mineral properties	$	(90,586)	$	90,586	**$**	**-**
Mineral exploration expenses		-		(936,636)		**(936,636)**
Net loss and comprehensive loss	$	(940,946)	$	(846,050)	**$**	**(1,786,996)**
Basic and diluted loss per share	$	0.01	$	0.01	**$**	**0.02**

Consolidated Statement of cash flows for the year ended January 31, 2014

Loss for the year	$	(940,946)	$	(846,050)	**$**	**(1,786,996)**
Impairment of mineral properties		90,586		(90,586)		**-**
Mineral properties acquired in Camex acquisition		-		289,689		**289,689**
Other uses of cash from operations:						
Accounts payable and accrued liabilities		282,660		140,545		**423,205**
Cash flow from operating activities	$	(300,529)	$	(506,402)	**$**	**(806,931)**
Additions to mineral properties	$	(506,402)	$	506,402	**$**	**-**
Cash flow from investing activities	$	(503,039)	$	506,402	**$**	**3,363**

22. EVENT AFTER THE REPORTING PERIOD

Subsequent to January 31, 2015, the Company raised US$75,000 in convertible debenture financing. Subject to TSX approval, the debenture matures in six months and is renewable for up to two additional six month periods up to November 28, 2016, and bears interest at 2% per month. The debenture is convertible into units at a price of CA$0.05 per unit any time after four months from issuance. Each unit is exercisable for one common share and one warrant to purchase an additional share at CA$0.08 per share expiring on May 28, 2020.

VVC Exploration Corporation
Suite 501, 121 Richmond Street West
Toronto, Ontario M5H 2K1
Tel: 416-368-9411   Fax:416-861-0749
http://www.vvcexpl.com