VATIC VENTURES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED
NOVEMBER 30, 2015

EXPRESSED IN CANADIAN DOLLARS

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Davidson & Company LLP has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements.

January 29, 2016

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars - unaudited)

		November 30, 2015		February 28, 2015
ASSETS				
Current				
Cash	$	87	$	-
Amounts receivable		13,608		13,571
		13,695		13,571
Non-current				
Equipment (Note 4)		2,843		3,752
Exploration and evaluation assets (Note 5)		-		-
Total assets	$	16,538	$	17,323
LIABILITIES				
Current				
Cheques issued in excess of funds on deposit	$	-	$	972
Accounts payable and accrued liabilities (Note 6)		272,333		310,948
Loans payable (Note 7)		168,198		131,734
Due to related parties (Note 11)		269,322		207,805
Total liabilities		709,853		651,459
EQUITY (DEFICIENCY)				
Share capital (Note 8)		2,979,788		2,979,788
Share-based payment reserve (Note 8)		65,630		65,630
Warrant reserve (Note 8)		31,056		31,056
Deficit		(3,769,789)		(3,710,610)
Total equity (deficiency)		(693,315)		(634,136)
Total liabilities and equity (deficiency)	$	16,538	$	17,323

Nature of operations and going concern (Note 1)

Commitments (Note 14)

Approved by the Board of Directors

"Nasim Tyab" — Director

"*Matt Mikulic*" — Director

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

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars - unaudited)

	Three months ended		Nine months ended	
	November 30, 2015	November 30, 2014	November 30, 2015	November 30, 2014
Expenses				
Amortization (Note 4)	$ 305	$ 285	$ 910	$ 871
Business development	1,257	-	1,257	15,301
Consulting fees	-	-	-	4,627
Financing cost	-	-	-	-
Management fees (Note 11)	-	-	-	107,000
Financing cost			-	-
Office and miscellaneous	421	2,186	2,908	7,196
Professional fees	-	-	3,000	16,153
Property investigation			-	-
Rent	-	2,700	-	5,400
Salaries and wages	-	2,360	-	6,230
Settlement of option agreement (Note 5)	-	-	-	14,100
Transfer agent and filing fees	810	1,825	14,619	8,869
Travel	25,021	-	25,021	11,216
Total expenses	(27,814)	(9,356)	(47,715)	(196,963)
Interest expense	(4,185)	-	(11,464)	(7,202)
	(4,185)	-	(11,464)	(7,202)
Net and comprehensive loss for the year	$ (31,999)	$ (9,356)	$ (59,179)	$ (204,165)
Weighted average number of common shares outstanding (basic and diluted)	11,967,300	9,315,800	11,967,300	9,315,800
Basic and diluted net loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.02)

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

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars - unaudited)

	Number of shares issued	Share Capital	Warrant reserve	Share-based payment reserve	Deficit	Total
Balance, February 28, 2013	3,357,647	$ 2,511,696	$ 11,658	$ 119,292	$ (2,599,121)	$ 43,525
Net loss for the year	-		-	-	(727,064)	(727,064)
Private Placement	5,958,332	357,500				357,500
Finder's Fee		(12,600)				(12,600)
Fair Value of agent's warrants granted		(17,547)	17,547			
	-	-				-
Fair Value of options expired				(21,675)	21,675	
Balance, February 28, 2014	**9,315,979**	**2,839,049**	**29,205**	**97,617**	**(3,304,510)**	**(338,639)**
Net loss for the year	-	-	-	-	(438,087)	(438,087)
Private placement	2,651,500	159,090	-	-	-	159,090
Finder's fee	-	(16,500)	-	-	-	(16,500)
Fair value of agent's warrants granted	-	(1,851)	1,851	-	-	-
Fair value of options expired	-	-	-	(31,987)	31,987	-
Balance, February 28, 2015	**11,967,299**	**$ 2,979,788**	**$ 31,056**	**$ 65,630**	**$ (3,710,610)**	**$ (634,136)**
Net loss for the year	-	-	-	-	(59,179)	(59,179)
Balance, November 30, 2015	**11,967,299**	**$ 2,979,788**	**$ 31,056**	**$ 65,630**	**$ (3,769,789)**	**$ (693,315)**

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

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars - unaudited)

	Nine months ended	
	November 30, 2015	November 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (59,179)	$ (204,165)
Adjustments for:		
Amortization	910	872
Interest income	-	-
Interest expense	11,464	-
Share-based payments	-	-
Write-down of exploration and evaluation assets	-	-
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	(34)	(7,645)
Decrease in prepaid expenses	-	-
Increase (decrease) in due to related party	61,517	116,441
Increase (decrease) in accounts payable and accrued liabilities	(38,619)	(45,571)
Net cash used in operating activities	(23,941)	(140,068)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	-
Exploration and evaluation assets	-	(4,250)
Net cash used in investing activities	-	(4,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private Placement	-	147,225
Share issuance costs	-	(12,390)
Subscriptions received	-	-
Loans payable (Note7)	25,000	7,202
Net cash provided by financing activities	25,000	142,037
Increase in cash	1,059	(2,281)
Cash, beginning of the period	(972)	4,139
Cash (deficiency), end of the period	$ 87	$ 1,858

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Vatic Ventures Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on October 30, 2007 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("Exchange") Policy 2.4 until January 26, 2011. On January 26, 2011, the Company completed its Qualifying Transaction (the "Transaction") and received the final exchange bulletin for the Transaction from the Exchange. As a result, the Company's shares are listed for trading on the Exchange under the trading symbol "VCV".

Following the completion of the Transaction, the Company is listed as a Tier 2 mining exploration issuer. The Company operates in a single business segment focusing on mineral exploration in British Columbia, Canada. To date, the Company has not generated any revenue from its mineral exploration activities and has met its cash requirements primarily through share issuances and interest income. Until the Company attains profitability, it will be necessary to raise additional financing for general working capital and for exploration costs on its properties. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

On September 23, 2013, the Company completed a share consolidation in which one post consolidation common share replaced eight pre-consolidation common shares (Note 8). Upon Exchange approval of the share consolidation, the Company began trading on a post-consolidation basis under the symbol "VCV" on September 23, 2013. As such, all current and comparative share capital amounts have been restated to account for the 8 to 1 common share consolidation.

The head office, principal address, registered address and records office of the Company are located at 1008 Homer Street, Suite 200, Vancouver, British Columbia, Canada, V6B 2X1.

On June 20, 2012, the Company incorporated two wholly owned subsidiaries VV Mining Exploration Services Mexico S. DE. R. I. and VV Mining Mexico S. DE R. I. C. V. to carry out the exploration activities of the La Silla West claims in the State of Sinaloa, Mexico. As at August 31, 2015, the two subsidiaries were inactive. These financial statements present the consolidated operations of the Company and its subsidiaries.

Upon review by the TSX, the company was moved from the TSX-V to the NEX effective August 18, 2015.

As at November 30, 2015, the Company had a cumulative deficit of $3,769,789 (November 30, 2014 - $3,464,925) and a working capital deficiency of $696,158 (November 30, 2014 - $619,957). The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. However, the Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of compliance

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

Approval of the financial statements

The consolidated financial statements of the Company for the quarter ended November 30, 2015, were reviewed by the Audit Committee and approved and authorized for issue on January 29, 2016 by the Board of Directors of the Company.

Basis of preparation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These consolidated financial statements include the accounts and operations of the Company and its wholly owned subsidiaries, VV Mining Exploration Services Mexico S. DE. R. I. and VV Mining Mexico S. DE R. I. C. V. The two subsidiaries were incorporated in Mexico on June 20, 2012. Details of controlled entities are as follows,

	Country of incorporation	Percentage owned November 30, 2015
VV Mining Exploration Services Mexico S. DE. R. I.	Mexico	100%
VV Mining Mexico S. DE R. I. C. V.	Mexico	100%

All inter-company transactions and balances have been eliminated upon consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

Significant Accounting Judgments

1) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Significant Accounting Judgments (cont'd…)

2) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company.

If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash generating unit or group of cash generating units level in the year the new information becomes available.

3) Impairment

The assessment of indications of impairment of exploration and evaluation assets and related determination of the net recoverable amount and write-down of the assets requires the Company to make certain judgements.

Significant Accounting Estimates and Assumptions

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

1) Estimated Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical and industry experience. Adjustments to useful life are made when considered necessary. Amortization charges are disclosed in Note 4.

2) Share-Based Payments

Equity-settled share-based awards are recognized as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of an option valuation model – Black-Scholes, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life, and is expensed over the vesting period. Using different input estimates or models produces different option values, which would result in the recognition of a higher or lower expense.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and term deposits that are readily convertible to known amounts of cash and/or with original maturities of three months or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Foreign currency translation

The functional currency of the Company and its subsidiaries is measured using the currency of the primary economic environment in which it operates. The financial statements are presented in Canadian dollars which is the Company's and its subsidiaries' functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Financial instruments

The Company classifies its financial assets and liabilities into one of the following categories, depending on the purpose for which the financial instrument was acquired. The Company's accounting policy for each category is as follows:

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL")

Financial assets and financial liabilities classified as FVTPL are acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are recognized at fair value based on market prices, with any resulting gains and losses reflected in net income for the period in which they arise.

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity which an entity has the intention and ability to hold to maturity. They are measured at amortized cost using the effective interest rate method less any impairment loss. A gain or loss is recognized in net income when the financial asset is derecognized or impaired, and through the amortization process.

Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-sale investments

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Available-for-sale investments (cont'd...)

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Transaction costs related to financial instruments other than FVTPL are capitalized as part of the cost of the financial instrument.

The Company does not use any derivative or hedging instruments.

Financial liabilities

Financial liabilities are classified as other financial liabilities or FVTPL, based on the purpose for which the liability was incurred. The Company's liabilities comprise accounts payable and accrued liabilities and due to related parties, all of which are classified as other financial liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

The Company classified its financial instruments as follows:

- Cash is classified as FVTPL.
- Amounts receivable are classified as loans and receivables.
- Accounts payable and accrued liabilities have been classified as other financial liabilities.
- Amounts due to related parties are classified as other financial liabilities.
- Loans payable are classified as other financial liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Property and Equipment

Recognition and measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment are subsequently measured at cost less accumulated amortization, less any accumulated impairment losses, with the exception of land which is not amortized.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Amortization

The amortization rates applicable to each category of property and equipment are as follows:

Class of equipment	Amortization rate
Furniture and fixtures	20% declining balance
Computer equipment	45% declining balance

One-half the normal amortization is taken in the year of acquisition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

(Loss) earnings per share

Basic (loss) earnings per share is computed by dividing the net loss or income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Flow-through shares

The Company may from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates the flow-through share into 1) share capital based on the fair value of the Company's shares at the date of announcement , and 2) a flow-through share premium, equal to the residual value of the units issued, if any, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced (or expected to be renounced) to the shareholders. The premium is recognized as deferred tax recovery and the related deferred tax liability is recognized as a tax provision.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-Back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense.

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments (cont'd...)

position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

If and when the share options are exercised, the applicable amounts of share-based payment reserve are transferred to share capital. If the share options are cancelled or expire unexercised, the related amount is transferred to deficit.

Valuation of equity units issued in private placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to the common shares based on the market trading price of common shares at the time the units are issued, with any excess value allocated to the warrants.

The fair value of common shares issued in the private placements are determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount is transferred to deficit.

Exploration and evaluation expenditures

Costs incurred prior to the Company obtaining legal title are expensed in the period in which they are incurred.

Costs incurred to acquire the legal right to explore a property are capitalized. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property by property basis. These direct expenditures include such costs as surveying costs, drilling costs, labour and contractor costs, materials used and licensing and permit fees.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is considered to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

Once commercial production has commenced all capitalized costs related to the property are transferred to producing properties and the costs of acquisition, exploration and development will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition, deferred exploration and development costs will be written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Management reviews capitalized costs on its mineral properties at each reporting period and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the sale of the property.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized, however, for corporate income tax purposes; the Company has no right to claim these costs as tax deductible expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation expenditures (cont'd...)

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Payments on mineral property Option Agreements are made at the discretion of the Company and, accordingly, are recorded on a cash basis.

The Company's entitlement to mineral exploration tax credits are accounted for on a cash basis.

Impairment of assets

The carrying amount of the Company's assets (which include property, plant and equipment and mineral interests) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of operations and comprehensive loss.

The recoverable amount of an asset is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Restoration, rehabilitation, and environmental obligations

Restoration, rehabilitation and environmental obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A restoration, rehabilitation or environmental obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding cost recognized by increasing the carrying amount of the related long-lived asset. The restoration, rehabilitation or environmental cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. As at February 28, 2015 and 2014, the Company has no known restoration, rehabilitation or environmental obligations.

Accounting standards, amendments and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") during the year. None of these are expected to have a significant effect on the financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Accounting standards, amendments and interpretations not yet effective (cont'd...)

IFRS 9 Financial Instruments – IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 is applicable to annual reporting periods beginning on or after January 1, 2018.

The Company does not expect that the new and amended standards will have a significant impact on its financial statements.

4. EQUIPMENT

	Computer equipment	Furniture & fixtures	Total
Cost:			
At February 28, 2013 and 2014	$ 1,770	$ 8,068	$ 9,838
Amortization:			
At February 28, 2013	694	2,920	3,614
Charges for the year	243	1,030	1,273
At February 28, 2014	$ 937	$ 3,950	$ 4,887
Net book value:			
At February 28, 2014	**$ 833**	**$ 4,118**	**$ 4,951**

	Computer equipment	Furniture & fixtures	Total
Cost:			
At February 28, 2015	$ 1,770	$ 8,068	$ 9,838
Amortization:			
At February 28, 2015	1,312	4,774	6,086
Charges for the period	291	618	909
At November 30, 2015	$ 1,603	$ 5,392	$ 6,995
Net book value:			
At November 30, 2015	**$ 167**	**$ 2,676**	**$ 2,843**

5. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition and exploration costs on its mineral properties.

		Canada
		Brookmere Property
Balance of costs		
Total acquisition costs	$	145,200
Total deferred exploration costs		272,065
Balance, February 28, 2013	**$**	**417,265**
Additions		
Exploration costs		
Field work		6,500
Total exploration costs	**$**	**6,500**
Total acquisition costs		145,200
Total deferred exploration costs		278,565
Write-down of exploration and evaluation assets		(230,000)
Balance, February 28, 2014	**$**	**193,765**

		Canada
		Brookmere Property
Balance of costs		
Total acquisition costs	$	145,200
Total deferred exploration costs		278,565
Write-down of exploration and evaluation assets		(230,000)
Balance, February 28, 2014	**$**	**193,765**
Impairment charge		
Write-down of exploration and evaluation assets		(193,765)
Total Impairment charge	**$**	**(193,765)**
Total acquisition costs		145,200
Total deferred exploration costs		278,565
Total Write-down of exploration and evaluation assets		(423,765)
Balance, February 28, 2015 and November 30, 2015	**$**	**-**

BROOKMERE PROPERTY

On May 17, 2010 and further amended on January 14, 2011, the Company entered into a mineral property option agreement (the "Agreement") with Eastland Management Ltd. ("Eastland"). Pursuant to the terms of the Agreement, the Company has the option to acquire a 100% undivided interest in 14 claims (the "Brookmere Property") located southwest of Merritt, British Columbia, Canada.

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

BROOKMERE PROPERTY (cont'd...)

To acquire a 100% undivided interest in the Brookemere property and to exercise the option, the Company is to pay Eastland:

1) $15,000 cash (paid) upon execution of the agreement.

2) Issue 83,750 shares (after giving retroactive effect to the 8-for-1 share consolidation effective September 23, 2013 (Note 8)) (issued and valued at $67,000) of the Company upon issuance of the Final Exchange Bulletin.

3) Issue 25,000 shares (after giving retroactive effect to the 8-for-1 share consolidation effective September 23, 2013 (Note 8)) (issued and valued at $16,000) of the Company on or before the first year anniversary of the bulletin.

4) Issue 37,500 shares (after giving retroactive effect to the 8-for-1 share consolidation effective September 23, 2013 (Note 8)) (issued and valued at $25,500) of the Company on or before the second year anniversary of the bulletin.

Upon the commencement of commercial production, the Company shall pay Eastland a 1.5% Net Smelter Returns Royalty. Upon execution of the agreement and the Company receiving the Geological Report, the Company shall pay $15,000 (paid) to Eastland, which amount shall be non-refundable in the event the agreement is terminated.

Rider Capital Corp. received 8,375 shares (after giving retroactive effect to the 8-for-1 share consolidation effective September 23, 2013 (Note 8)) as a finder's fee in connection with the transaction (common shares were issued and valued at $6,700).

On February 13, 2013, the Company entered into an option agreement with Quadro Resources Corp. ("Quadro"). Quadro is related to the Company through common directors. The Company granted an exclusive right and option to Quadro to acquire, subject to the terms and conditions of this option agreement, a 51% interest in the property subject to a 1.5% Net Smelter Return royalty in favor of the Underlying Vendor. On March 7, 2014, the Company amended the option agreement in respect to the mineral property.

Pursuant to the terms of the amending agreement, Quadro has to complete the following within the time limit as follows:

a. $110,000 of exploration expenditures by December 31, 2015;

b. a further $250,000 of exploration expenditures by December 31, 2016; and

c. a further $500,000 of exploration expenditures by December 31, 2017.

As at February 28, 2014, the Company dropped 8 of the 14 claims that comprise the Brookmere Property, and the Company recorded $230,000 as an impairment charge to write-off part of the property.

As at February 28, 2015, management decided not to pursue this property as a result of market constraints and economic feasibility of the project, and the property was written off entirely. An impairment charge of $193,765 was recorded against the property.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2015	February 28, 2015
Accounts payable	$259,560	$293,775
Accrued liabilities	12,775	48,341
	$272,333	$342,116

7. LOANS PAYABLE

During the year ended February 28, 2013, the Company obtained loans from 3 arms-length parties, Quarry Bay Equity, Jacques Martel and Coventry Partners Inc.

As at February 28, 2013, the loans payable consisted of a $32,500 loan from Coventry Partners Inc. ("Coventry"), a $117,455 loan from Quarry Bay Equity ("Quarry") and a $34,800 loan from Jacques Martel. The Company also accrued $3,722 interest on the loans for an aggregate balance of $188,477. All the loans are unsecured, due on demand and bear an annual interest rate of 12%.

During the year ended February 28, 2014, the Company paid $32,500 to Coventry, at which time Coventry forgave the outstanding interest of $3,717. The Company also paid $56,000 to Quarry.

As at February 28, 2015, the loans payable consisted of a $61,455 loan from Quarry, and a $37,300 loan from Jacques Martel. The Company also accrued $32,979 interest on the loans for an aggregate balance of $131,734. All the loans are unsecured, due on demand and bear an annual interest rate of 12%.
During the quarter ended May 31, 2015, the Company received $25,000 and issued a 10% convertible debt note.

Principal	Accrued interest expenses	Loan balance at November 30, 2015
$ 61,455	$ 28,654	$ 90,109
37,300	$ 13,646	50,946
25,000	$ 2,142	27,142
$ 123,755	$ 44,443	$ 168,198

Principal	Additional principal	Accrued interest expenses	Payment	Interest forgiven	Loan balance at February 28 2015
$ 32,500	$ -	$ 3,717	$ (32,500)	$ (3,717)	$ -
117,455	-	13,622	(56,000)	-	75,077
34,800	2,500	5,015	-	-	42,315
$ 184,755	$ 2,500	$ 22,354	$ (88,500)		$ 117,392

8. SHARE CAPITAL

Authorized: unlimited common shares without par value

On September 23, 2013, the Company completed a share consolidation in which one (1) post-consolidated common share replaced eight (8) pre-consolidated common shares. All information relating to basic and diluted loss per share, the weighted average number of common shares outstanding, the issued and outstanding common shares, common shares issued, share options, warrants, and commitments to exploration and evaluation assets (Note 5) have been adjusted retroactively to reflect the impact of the share consolidation in these consolidated financial statements.

During the year ended February 28, 2015:

On September 10, 2014, the Company closed a non-brokered private placement of 2,351,500 units at a price of $0.06 per unit for total proceeds of $141,090. Each unit was issued as a non flow-through unit consisting of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of 36 months following the closing date.

A finder's fee of $2,400 was paid in cash in connection with the private placement closed on September 10, 2014.

On September 12, 2014, the Company closed a non-brokered private placement of 300,000 units at a price of $0.06 per unit for total proceeds of $18,000. Each unit was a non flow-through unit consisting of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of 36 months following the closing date.

A finder's fee of $1,800 in cash and 30,000 agents' warrants were issued with a fair value of $1,851 in connection with the private placement closed on September 12, 2014. The fair value of the warrants was calculated using a risk free rate of 1.18%, and expected life of 3 years, a volatility of 189% and an expected dividend rate of 0.00%.

During the year ended February 28, 2014:

On October 22, 2013, the Company closed the first tranche of a non-brokered private placement of 4,808,334 units at a price of $0.06 per unit for total proceeds of $288,500. Each unit was a non flow-through unit consisting of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of 36 months following the closing date.

A finder's fee of $8,700 in cash and 145,000 agents' warrants were issued with a fair value of $12,587 in connection with the private placement closed on October 22, 2013. The fair value of the warrants was calculated using a risk free rate of 1.35%, and expected life of 3 years, a volatility of 232% and an expected dividend rate of 0.00%.

On January 21, 2014, the Company closed the second tranche of a non-brokered private placement of 416,666 units at a price of $0.06 per unit for total proceeds of $25,000. Each unit was a non flow-through unit consisting of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of 36 months following the closing date.

A finder's fee of $1,500 in cash and 25,000 agents' warrants were issued with a fair value of $2,405 in connection with the private placement closed on January 21, 2014. The fair value of the warrants was calculated using a risk free rate of 1.24%, and expected life of 3 years, a volatility of 226% and an expected dividend rate of 0.00%.

On February 28, 2014, the Company closed the first tranche of a non-brokered private placement of 733,332 units at a price of $0.06 per unit for total proceeds of $44,000. Each unit was a non flow-through unit consisting of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional

common share of the Company at a price of $0.10 per share for a period of 36 months following the closing date.

A finder's fee of $2,400 in cash and 40,000 agents' warrants were issued with a value of $2,555 in connection with the private placement closed on February 25, 2014. The fair value of the warrants was calculated using a risk free rate of 1.18%, and expected life of 3 years, a volatility of 192% and an expected dividend rate of 0.00%.

Share options

The Company adopted a share option plan (the "Share Option Plan") under which it may grant options to directors, officers, and technical consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

For share options granted to employees, officers, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

A summary of share option transactions are as follows:

	Number of Options (1)	Weighted Average Exercise Price (1)	Weighted Average Number of Years to Expiry
Balance, February 28, 2013	160,000	$0.96	2.93
Expired	(25,000)		
Balance, February 28, 2014	135,000	$0.80	2.39
Expired	(43,750)		
Balance, February 28, and November 30	91,250	$0.80	2.36

As at August 31, 2015, the following incentive share options are outstanding and exercisable:

Weighted average exercise price (1)	Weighted average contractual life (years)	Number of Options outstanding (1)	Number of Options exercisable (1)	Expiry date
$ 0.80	2.36	91,250	91,250	July 9, 2017

(1) The number of options and the exercise price per share has been retroactively adjusted to reflect the 8-for-1 share consolidation effective September 23, 2013.

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

Warrants

Changes to the balance of warrants outstanding are as follows:

	Warrants outstanding [1]		Weighted average exercise price [1]	Weighted average number of years to expiry
Balance, February 28, 2013	625,913	$	1.84	1.22
Granted - private placement	5,958,333		0.10	
Granted - Finders warrants	210,000		0.06	
Expired	(231,250)		2.40	
Balance, February 28, 2014	6,562,996	$	0.18	2.59
Granted - private placement	2,651,500		0.10	
Granted - Finders warrants	30,000		0.10	
Expired	(394,663)		1.50	
Balance, February 28 and November 30,	8,849,833	$	0.10	1.96

As at November 30, 2015, the following warrants are outstanding and exercisable:

	Weighted Average Exercise Price [1]	Weighted Average Life (Years)	Number of warrants outstanding and exercisable [1]	Expiry date
$	0.10	1.64	4,808,334	October 18, 2016
	0.06	1.64	145,000	October 18, 2016
	0.10	1.90	416,666	January 21, 2017
	0.06	1.90	25,000	January 21, 2017
	0.10	2.00	733,333	February 28, 2017
	0.06	2.00	40,000	February 28, 2017
	0.10	2.54	2,351,500	September 11, 2017
	0.10	2.54	300,000	September 12, 2017
	0.10	2.54	30,000	September 12, 2017
$	0.10	1.96	8,849,833	

[1] The number of warrants and the exercise price per share has been retroactively adjusted to reflect the 8-for-1 share consolidation effective September 23, 2013.

Share-based payments

There were no share-based payment transactions during the Quarter ended November 30, 2015.

During the year ended February 28, 2015, 43,750 options exercisable at $0.80 per share expired unexercised. The Company reversed the fair value of expired options of $31,987 to deficit.

During the year ended February 28, 2014, 25,000 options exercisable at $1.60 per share expired unexercised. The Company reversed the fair value of expired options of $21,675 to deficit.

9. CAPITAL DISCLOSURE

The Company considers its capital structure to include the net residual equity of all assets, less liabilities. Capital is comprised of the Company's equity and any debt that it may issue. The Company's objectives when managing capital are to (i) maintain sufficient working capital to meet current financial obligations and continue as a going concern; (ii) maintain a capital structure to allow the Company to raise equity funding to finance its capital expenditures and acquisition activities; (iii) maintain creditworthiness and maximize returns for shareholders over the long term; (iv) maintain capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic circumstances. The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will be used to fund the Company's working capital and exploration activities. There were no changes to the way the Company manages its capital in the quarter ended November 30, 2015.

10. FINANCIAL INSTRUMENTS AND RISKS

Fair values

Under IFRS, a three-level hierarchy that reflects the significance of inputs used in making fair value adjustments is required. The three levels of the fair value hierarchy are as follows:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

	As at November 30, 2015			
Assets	Level 1	Level 2	Level 3	Total
Cash	$ 87	$ -	$ -	$ 87
Total	$ 87	$ -	$ -	$ 87

	As at November 30, 2014			
Assets	Level 1	Level 2	Level 3	Total
Cash	$ 1857	$ -	$ -	$ 1857
Total	$ 1857	$ -	$ -	$ 1857

Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

10. FINANCIAL INSTRUMENTS AND RISKS (cont'd...)

Financial Instrument Risks (cont'd...)

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables.

The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of GST/HST receivable due from federal government agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At November 30, 2015, the Company had cash of $87 (November 30, 2014 – cash balance of $1,857), which is insufficient to settle current liabilities of $709,853 (November 30, 2014 - $637,511). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

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

Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

There are some expenses for the Company denominated in US dollars. The Company may become exposed to currency fluctuations on mineral exploration and evaluation expenditures which are denominated in US dollars. These potential currency risks could have a significant impact on the Company.

As at November 30, 2015, the Company was exposed to currency risk through the following monetary assets and liabilities in US dollars:

Accounts payable and accrued liabilities	$	(56,628)
Foreign exchange rate at August 31, 2015 - USD		1.33789

Based on the net exposures at November 30, 2015, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would not have a significant impact on the Company's net earnings (loss).

11. RELATED PARTY TRANSACTIONS

The amounts due to related parties are amounts due to officers and directors of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. Accordingly, the fair value cannot readily be determined. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Due to related parties

		November 30, 2015		November 30, 2014
President and CEO	$	144,249	$	133,125
CFO		75,270		73,370
Corporate secretary		12,650		9,875
Director		37,153		-
Total	$	269,322	$	216,370

(1) The balance due to a director of $16,900 was included in accounts payable balance in 2014 (Note 6).

During the Quarter ended November 30, 2015 and 2014, the Company paid or accrued management and consulting fees to its officers as follows:

Management and consulting fees

	Six months ended			
		November 30, 2015		November 30, 2014
President and CEO	$	0	$	48,000
CFO		0		24,000
Corporate secretary		0		9,000
	$	0	$	52,500

During the year ended February 28, 2015, the Company issued 900,000 (2014 – 2,283,332) private placement units to its directors and officers, which were valued at $54,000 (2014 - $137,000).

12 SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no non-cash financing activities during the Quarter ended November 30, 2015 and 2014 .

13. SEGMENTED INFORMATION

The Company's business is considered to be in one segment, being mineral property acquisition, exploration and development in Canada.

14. COMMITMENTS

The Company has a contract with the Company's secretary, CFO and CEO for management services. The CEO's monthly fee was $8,000 for the period from January 2012; the CFO's monthly fee was $3,000 for the period from August 2012 to December 2012, and increased to $6,000 from January 2013, and decreased to $4,000 from January 2014; and the secretary's monthly fee was $1,500 for the period from March 10, 2013. The Company may at any time after the Initial Term (one year), terminate this Agreements by giving one month written notice.
The Company ceased the CEO and CFO's monthly fees effective September 1, 2014, and the secretary's monthly fees effective December 1, 2014.

15. SUBSEQUENT EVENTS

On January 13, 2016, the Company announced its intention to amend its share structure by consolidating its issued and outstanding common shares on the basis of one (new) post consolidation share for each four (old) pre-consolidation shares.

The Company currently has 11,967,299 common shares issued and outstanding. Following the Consolidation, it is anticipated that the Company will have approximately 2,991,824 common shares issued and outstanding, and continue to trade on the NEX Board of the TSX-Venture Exchange under the existing stock symbol "VCV.H".
The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding warrants and stock options will be proportionately adjusted to reflect the Consolidation in accordance with their respective terms thereof. No fractional common shares will be issued pursuant to the Consolidation, and any fractional common shares that would otherwise be issued will be rounded down or up to the nearest whole number.

The Company also announced that after it has completed the Consolidation, it will conduct a non-brokered private placement of up to 12 million units at a price of five cents per unit ($0.05) to raise proceeds of up to $600,000. Each unit will consist of one common share and one common share purchase warrant (the "Unit Warrants") with each Unit Warrant entitling the holder to acquire one additional common share at a price of 10 cents ($0.10) per share for 12 months from closing. The funds from the financing will allow the Company to continue with its efforts to examine various potential opportunities in the mineral sector.