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**Condensed Interim Financial Statements
Three Months Ended March 31, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited)**

<u>Index</u>	<u>Page</u>
Notice of No Auditor Review	2
Condensed Interim Financial Statements	
Condensed Interim Statements of Comprehensive Loss	3
Condensed Interim Statements of Financial Position	4
Condensed Interim Statements of Changes in Deficit	5
Condensed Interim Statements of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7-11

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of the Company for the three months ended March 31, 2016, and comparatives for the three months ended March 31, 2015, were prepared by management and have not been reviewed or audited by the Company's auditors.

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Interim Statements of Comprehensive Loss

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

	Note	2016	2015
Operating Expenses			
Consulting	\$	3,000	\$ 3,000
Exploration and evaluation	5	-	500
Investor relations		1,946	3,783
Office and general		1,046	5,061
Regulatory fees and taxes		5,200	5,859
Shareholders' communications		147	190
Transfer agent		637	1,050
Net Loss and Comprehensive Loss for the Period	\$	11,976	\$ 19,443
Loss per share - basic and diluted	\$	0.00	\$ 0.00
Weighted average number of common shares outstanding		32,735,925	32,735,925

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars, Unaudited)

As at	Note	March 31 2016	December 31 2015
Assets			
Current			
Cash		\$ 866	\$ -
Receivables		299	10,174
		1,165	10,174
Non-current			
Mineral properties	5	-	-
		-	-
		\$ 1,165	\$ 10,174
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 460,048	\$ 460,081
Due to related parties	6	54,358	51,358
		514,406	511,439
Deficit			
Share capital	7	12,212,977	12,212,977
Share-based payments reserve		235,896	237,867
Deficit		(12,962,114)	(12,952,109)
		(513,241)	(501,265)
		\$ 1,165	\$ 10,174

Approved on behalf of the Board*"Lawrence Page"*

Lawrence Page, Q.C.
Director

"Edward Odishaw"

Edward Odishaw
Director

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Deficit

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based		Total
	Number	Amount	Payment	Deficit	Deficit
	of Shares		Reserve		
Balance as at December 31, 2014	32,735,925	\$ 12,212,977	\$ 240,708	\$ (12,525,937)	\$ (72,252)
Expiry of options and warrants	-	-	(2,841)	2,841	-
Net loss	-	-	-	(19,443)	(19,443)
Balance as at March 31, 2015	32,735,925	\$ 12,212,977	\$ 237,867	\$ (12,542,539)	\$ (91,695)
Balance as at December 31, 2015	32,735,925	\$ 12,212,977	\$ 237,867	\$ (12,952,109)	\$ (501,265)
Expiry of options and warrants	-	-	(1,971)	1,971	-
Net loss	-	-	-	(11,976)	(11,976)
Balance as at March 31, 2016	32,735,925	\$ 12,212,977	\$ 235,896	\$ (12,962,114)	\$ (513,241)

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

Valterra Resource Corporation

(An Exploration Stage Company)

Condensed Interim Statements of Cash Flows

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

	2016	2015
Operating Activities		
Net loss	\$ (11,976)	\$ (19,443)
	(11,976)	(19,443)
Changes in Non-Cash Working Capital		
Receivables	9,875	2,583
Prepaid and deposits	-	1,801
Bank indebtedness	-	531
Accounts payable and accrued liabilities	(33)	12,630
Due to related parties	3,000	3,000
	12,842	20,545
Cash Provided by Operating Activities	866	1,102
Increase in Cash During the Period	866	1,102
Cash, Beginning of the Period	-	3,756
Cash, End of the Period	\$ 866	\$ 4,858

Supplemental cash flow information (Note 9)

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

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

1. Nature of Operations and Going Concern

Valterra Resource Corporation (the "Company") was incorporated in Alberta on September 26, 1996, continued to the Yukon on May 8, 1997 and subsequently to British Columbia on February 22, 2008.

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

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

These condensed interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2016, the Company had a working capital deficit of \$513,241 (December 31, 2015 - \$501,265). The Company incurred a net loss of \$11,976 for the three months ended March 31, 2016 (2015 - \$19,443) and had an accumulated deficit of \$12,962,114 as at March 31, 2016 (December 31, 2015 - \$12,952,109).

As at March 31, 2016, the Company does not have sufficient working capital to meet its administrative overheads and continue with its exploration programs. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company will be required to issue share capital to finance future activities through private placements and the exercise of options and warrants and is actively seeking additional equity financing. There can be no assurance that such financing will be available to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

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

2. Basis of Preparation

These condensed interim financial statements were prepared in accordance with International Accounting Standards 34: *Interim Financial Reporting* using historical cost, except for cash flow information and financial instruments measured at fair value.

The Company's functional and presentation currency is the Canadian dollar.

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

2. Basis of Preparation, continued

These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2015.

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on May 26, 2016.

3. Summary of Significant Accounting Policies

The same accounting policies are used in the preparation of these condensed interim financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards of the results for the interim periods presented.

4. Financial Instruments

The Company's financial instruments include cash, accounts payable and accrued liabilities and due to related parties.

The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity.

5. Mineral Properties

Mineral property acquisition costs as at March 31, 2016, were as follows:

	Swift Katie \$	Total \$
Balance as at December 31, 2014	388,175	388,175
Impairments	(388,175)	(388,175)
Balance as at December 31, 2015	-	-
Balance as at March 31, 2016	-	-

Swift Katie

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

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(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

Swift Katie, continued

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

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

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

During the year ended December 31, 2015, agreement was obtained that the AMR due on December 31, 2014 would be deferred to March 31, 2015 with interest compounded at 2% per month from April 1, 2015 (unpaid). The AMR due on December 31, 2015 remains unpaid.

As the Company continues to assess planned courses of action with respect to the property it has determined this to be an indicator of impairment. Accordingly, an impairment provision was recognized against all capitalized costs totalling \$388,175 during the year ended December 31, 2015.

Exploration and Evaluation Expenditures

The Company incurred no exploration and evaluation expenditures specifically related to its properties in the three months ended March 31, 2016 and 2015.

6. Related Party Balances and Transactions

In addition to those transactions disclosed elsewhere in these condensed interim financial statements, the Company entered into the following related party transactions:

- (a) Under a service agreement between the Company and a private company controlled by a director and officer of the Company, the Company was previously charged for office accommodation and other personnel services. Effective October 1, 2013, the Company received notice that it was in default of the service agreement and that such services would no longer be provided until the default was remedied. Amounts payable as at March 31, 2016 were \$11,025 (December 31, 2015 - \$11,025).
- (b) Fees relating to legal and consulting services of \$nil (2015 - \$nil) were charged by a private company controlled by a director and officer of the Company. Amounts payable as at March 31, 2016 were \$4,373 (December 31, 2015 - \$4,373).

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions, continued

(c) Fees relating to consulting services of \$3,000 (2015 - \$3,000) were charged by an officer of the Company. Amounts payable as at March 31, 2016 were \$33,500 (December 31, 2015 - \$30,500).

(d) Loans totalling \$5,460 (December 31, 2015 - \$5,460) are payable to directors of the Company with respect to funds advanced.

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

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

	2016	2015
Short-term benefits	\$ 3,000	\$ 3,000
Total	\$ 3,000	\$ 3,000

7. Share Capital

(a) Authorized

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

(b) Stock Options

Stock options outstanding and exercisable as at March 31, 2016 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2015	Balance March 31, 2016
\$1.00	November 17, 2016	20,000	20,000
\$0.10	July 19, 2017	480,000	480,000
\$0.12	December 17, 2017	1,375,000	1,375,000
\$0.17	March 1, 2018	100,000	100,000
		1,975,000	1,975,000
Weighted average exercise price		\$0.13	\$0.13
Weighted average contractual life remaining (years)		1.86	1.61

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Notes to the Condensed Interim Financial Statements

Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(c) Share Purchase Warrants

Share purchase warrants outstanding as at March 31, 2016 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2015	Expired	Balance March 31, 2016
\$1.00	January 31, 2016	5,000	5,000	-
\$0.05	February 20, 2017	3,105,000	-	3,105,000
\$0.05	February 21, 2017	785,650	-	785,650
\$0.05	June 10, 2017	1,000,000	-	1,000,000
\$0.05	August 12, 2017	100,000	-	100,000
		4,995,650	5,000	4,990,650
Weighted average exercise price		\$0.05	\$1.00	\$0.05
Weighted average contractual life remaining (years)		1.21		0.96

8. Segmented Information

The Company has one operating segment, the exploration of mineral properties in Canada. As at March 31, 2016, the Company's non-current assets are all located in Canada.

9. Supplemental Cash Flow Information

	2016	2015
Cash Items		
Income tax paid	\$ -	\$ -
Interest paid	-	2,054
Interest received	-	-

10. Events after the Reporting Period

Other than events disclosed elsewhere in these condensed interim financial statements, no further significant events occurred subsequent to March 31, 2016.