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Condensed Interim Financial Statements
Nine Months Ended September 30, 2015 and 2014
(Expressed in Canadian Dollars)
(Unaudited)

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NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2015, and comparatives for the nine months ended September 30, 2014, 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

(Expressed in Canadian Dollars, Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2015	2014	2015	2014
Operating Expenses					
Administration		\$ -	\$ -	\$ -	448
Consulting		3,000	3,000	9,000	9,000
Exploration and evaluation	5(c)	-	14,408	1,015	53,973
Investor relations		-	-	4,068	6,701
Office and general		1,237	4,161	10,054	15,271
Professional fees		3,257	-	19,101	18,041
Regulatory fees and taxes		-	-	8,502	9,873
Shareholders' communications		-	1,709	190	3,019
Transfer agent		526	993	2,324	3,269
Travel		-	994	-	994
		8,020	25,265	54,254	120,589
Interest and other income					
		-	(600)	-	(1,042)
		-	(600)	-	(1,042)
Net Loss and Comprehensive Loss for the Period					
		\$ 8,020	\$ 24,665	\$ 54,254	\$ 119,547
Loss per share - basic and diluted					
		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding					
		32,735,925	31,735,295	32,735,925	30,276,500

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	September 30 2015	December 31 2014
Assets			
Current			
Cash		\$ -	\$ 3,756
Receivables		171	2,938
Prepaid and deposits		-	2,681
		171	9,375
Non-current			
Mineral properties	5	388,175	388,175
Reclamation bond		10,000	10,000
		398,175	398,175
		\$ 398,346	\$ 407,550
Liabilities			
Current			
Bank indebtedness	6	\$ 623	\$ 198,567
Accounts payable and accrued liabilities	6 & 11	475,871	247,337
Due to related parties	7	48,358	33,898
		524,852	479,802
Deficit			
Share capital	9	12,212,977	12,212,977
Share-based payments reserve		237,867	240,708
Deficit		(12,577,350)	(12,525,937)
		(126,506)	(72,252)
		\$ 398,346	\$ 407,550

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 Equity (Deficit)

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based		Total
	Number	Amount	Payment	Deficit	Equity
	of Shares		Reserve		(Deficit)
Balance as at December 31, 2013	26,345,275	\$ 11,943,801	\$ 443,605	\$ (12,458,430)	\$ (71,024)
Issued					
Private placements - non-flow-through	4,105,000	205,250	-	-	205,250
Shares for mineral property payment	500,000	25,000	-	-	25,000
Shares for settlement of debt	785,650	39,283	-	-	39,283
Share issue costs	-	(10,357)	4,134	-	(6,223)
Expiry of options and warrants	-	-	(135,166)	135,166	-
Net loss for the period	-	-	-	(119,547)	(119,547)
Balance as at September 30, 2014	31,735,925	\$ 12,202,977	\$ 312,573	\$ (12,442,811)	\$ 72,739
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 for the period	-	-	-	(54,254)	(54,254)
Balance as at September 30, 2015	32,735,925	\$ 12,212,977	\$ 237,867	\$ (12,577,350)	\$ (126,506)

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

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

	2015	2014
Operating Activities		
Net loss for the period	\$ (54,254)	\$ (119,547)
	(54,254)	(119,547)
Changes in Non-Cash Working Capital		
Receivables	2,767	349
Prepaid and deposits	2,681	3,875
Bank indebtedness	(197,944)	(408)
Accounts payable and accrued liabilities	228,534	(29,907)
Due to related parties	9,000	(119,642)
	45,038	(145,733)
Cash Used in Operating Activities	(9,216)	(265,280)
Investing Activities		
Acquisition of mineral properties	-	(11,470)
Reclamation bond recovery	-	30,000
Cash Provided by Investing Activities	-	18,530
Financing Activities		
Common shares issued for cash, net	-	199,027
Loans received from related parties	5,460	-
Cash Provided by Financing Activities	5,460	199,027
Decrease in Cash During the Period	(3,756)	(47,723)
Cash, Beginning of the Period	3,756	55,206
Cash, End of the Period	\$ -	\$ 7,483

Supplemental cash flow information (Note 8)

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

Nine Months Ended September 30, 2015 and 2014

(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 September 30, 2015, the Company had a working capital deficit of \$524,681 (December 31, 2014 - \$470,427). The Company incurred a net loss of \$54,254 for the nine months ended September 30, 2015 (2014 - \$119,547) and had an accumulated deficit of \$12,577,350 as at September 30, 2015 (December 31, 2014 - \$12,525,937).

As at September 30, 2015, 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 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 basis, 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

Nine Months Ended September 30, 2015 and 2014

(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, 2014.

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on November 26, 2015.

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, reclamation bond, bank indebtedness, accounts payable and accrued liabilities and due to related parties.

The carrying values of bank indebtedness, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

5. Mineral Properties

Mineral property acquisition costs as at September 30, 2015, were as follows:

	Bobcaygeon	Swift Katie	Total
	\$	\$	\$
Balance as at December 31, 2013	59,325	388,175	447,500
Additions	62,200	-	62,200
Impairments	(121,525)	-	(121,525)
Balance as at December 31, 2014	-	388,175	388,175
Balance as at September 30, 2015	-	388,175	388,175

Terms of the agreements for these properties are described below:

(a) Bobcaygeon

Pursuant to an option agreement dated June 1, 2012, the Company can earn a 100% undivided interest in the property located in southern Ontario.

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

(a) Bobcaygeon, continued

Remaining share issuances, staged payments and exploration commitments are due as follows:

- (i) Pay \$10,000, issue common shares valued at \$100,000 and incur not less than an aggregate \$850,000 of exploration expenditures on or before December 15, 2015; and
- (ii) Pay \$15,000, issue common shares valued at \$200,000 and incur not less than an aggregate \$1,250,000 of exploration expenditures on or before December 15, 2016.

The Company has the irrevocable right and option to satisfy any of the exploration commitments by issuing common shares of equal value based on the closing price on the day preceding the share issuance.

The optionor of the property retains the right to mine all vermiculite and limestone and also retains a 1.5% production royalty, which the Company has the option to purchase at any time in increments of 0.5% for \$500,000 per increment.

On December 30, 2014, the Company received notice of default of the option agreement which claimed failure to deliver shares of sufficient value and failure to incur required expenditures, amongst certain other claims. On January 29, 2015, the Company responded to the notice disputing the claims therein and requested a standstill period in accordance with the terms of the agreement. To date, the Company has not received an official response from the optionor. The Company considered the dispute to be an indicator of impairment and recorded an impairment provision against all capitalized costs during the year ended December 31, 2014.

(b) 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.

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 ("CPI") base of December 31, 2006 and are deductible from future NSR payments.

During the period, 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).

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

(b) Swift Katie, continued

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.

(c) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the nine months ended September 30, 2015 and 2014, were as follows:

	Bobcaygeon		Swift Katie		Star		Toughnut		Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Assays and analysis	-	1,045	515	765	-	2,204	-	1,771	515	5,785
Geological services	-	14,282	-	-	-	-	-	-	-	14,282
Project supervision	-	21,010	-	6,158	-	200	-	-	-	27,368
Travel	-	3,038	-	-	-	-	-	-	-	3,038
	-	39,375	515	6,923	-	2,404	-	1,771	515	50,473
General exploration									500	3,500
									1,015	53,973

6. Bank Indebtedness

Bank indebtedness was previously due on demand and secured by a letter of credit from Schroders (C.I.) supported by a guarantee by a company owned by a shareholder of the Company.

Pursuant to an agreement, as amended on February 3, 2015, the guarantee was extended until September 30, 2015. As consideration for the extension, the Company has approval to issue 350,000 units, where each unit will consist of one common share and one share purchase warrant exercisable to purchase one additional common share at an exercise price of \$0.05 for a period of one year.

On April 20, 2015, the Company received notice of demand for payment of the bank indebtedness. As the Company was unable to comply with this notice, on June 1, 2015, security was enforced against the letter of credit from Schroders (C.I.) and supporting guarantee in the amount of \$199,810. The amount now owing under the guarantee is currently unsecured, has no formal terms of repayment and is presented within accounts payable and accrued liabilities.

Remaining bank indebtedness is due on demand and bears interest at prime plus 1% per annum.

Valterra Resource Corporation

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Notes to the Condensed Interim Financial Statements

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

7. 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 charged as follows:

- \$nil (2014 - \$30,368) for geological consulting services; and
- \$nil (2014 - \$448) in respect of the mark-up on out-of-pocket expenses.

Effective October 1, 2013, the Company received notice that it was in default of the service agreement. Amounts payable as at September 30, 2015 were \$11,025 (December 31, 2014 - \$11,025).

(b) Fees relating to legal and consulting services of \$nil (2014 - \$nil) were charged by a private company controlled by a director and officer of the Company. Amounts payable as at September 30, 2015 were \$4,373 (December 31, 2014 - \$4,373).

(c) Fees relating to consulting services of \$9,000 (2014 - \$9,000) were charged by an officer of the Company. Amounts payable as at September 30, 2015 were \$27,500 (December 31, 2014 - \$18,500).

(d) Fees relating to geological consulting services of \$nil (2014 - \$2,813) were charged by a private company controlled by a director of the Company.

(e) Loans totalling \$5,460 (December 31, 2014 - \$nil) 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 (c) and (d) above, is as follows:

	2015	2014
Short-term benefits	\$ 9,000	\$ 11,813
Total	\$ 9,000	\$ 11,813

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

8. Supplemental Cash Flow Information

	2015	2014
Cash Items		
Income tax paid	\$ -	\$ -
Interest paid	2,594	5,992
Interest received	-	442
Non-Cash Items		
Shares for mineral property payment	-	25,000
Shares for settlement of accounts payable	-	39,283

9. Share Capital

(a) Authorized

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

(b) Equity Financings

Nine months ended September 30, 2014:

On February 20, 2014, the Company closed a non-flow-through private placement by issuing 3,105,000 units at a price of \$0.05 per unit for gross proceeds of \$155,250. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable to purchase one additional common share at an exercise price of \$0.05 for a period of three years.

On June 10, 2014, the Company closed a non-flow-through private placement by issuing 1,000,000 units at a price \$0.05 per unit for total gross proceeds of \$50,000. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable to purchase one additional common share at an exercise price of \$0.05 for a period of three years.

On August 12, 2014, the Company issued 100,000 finders' warrants with each warrant exercisable to purchase one additional common share at an exercise price of \$0.05 for a period of three years (Note 9(f)).

(c) Non-Cash Issuances

Nine months ended September 30, 2014:

On February 21, 2014, the Company completed an agreement to settle a debt of \$54,283 by payment of \$15,000 and by the issuance of 785,650 units at a price of \$0.05 per unit. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable to purchase an additional common share at a price of \$0.05 per share for a period of three years.

Valterra Resource Corporation

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Notes to the Condensed Interim Financial Statements

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

9. Share Capital, continued

(c) Non-Cash Issuances, continued

On March 19, 2014, the Company issued 500,000 common shares as per a property option agreement. The fair value recognized of \$25,000 was based on the closing quoted market price of \$0.05 per share.

(d) Stock Options

Stock options outstanding and exercisable as at September 30, 2015 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2014	Balance September 30, 2015
\$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)		2.86	2.12

(e) Share Purchase Warrants

Share purchase warrants outstanding as at September 30, 2015 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2014	Expired	Balance September 30, 2015
\$0.60	January 14, 2015	5,000	5,000	-
\$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
		5,000,650	5,000	4,995,650
Weighted average exercise price		\$0.05	\$0.60	\$0.05
Weighted average contractual life remaining (years)		2.21		1.46

Valterra Resource Corporation

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Nine Months Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars, Unaudited)

9. Share Capital, continued

(e) Fair Value Determination

The weighted average fair value of finders' share purchase warrants issued was \$nil (2014 - \$0.04). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 30,	
	2015	2014
Risk-free interest rate	N/A	1.11%
Expected share price volatility	N/A	156.21%
Expected life in years	N/A	3.00
Expected dividend yield	N/A	0.00%

Expected volatility assumptions have been developed taking into consideration historical volatility of the Company's share price, where data is available, and a comparable company in similar development stage and property location, where Company data is unavailable. The total calculated fair value of share-based payments recognized was as follows:

	September 30, 2015	September 30, 2014
Statements of Changes in Equity (Deficit)		
Finders' warrants	\$ -	\$ 4,134
Total	\$ -	\$ 4,134

10. Segmented Information

The Company has one operating segment, the exploration of mineral properties in Canada. As at September 30, 2015, the Company's non-current assets are all located in Canada.

11. Claims and Contingencies

On June 30, 2015, a Notice of Claim was filed in Small Claims Court regarding disputed amounts owed to a certain vendor that the Company believes total approximately \$45,000. The Notice of Claim demanded payment of \$25,000 and stated that the vendor would abandon any claims to payment in excess of this amount plus costs. The Company was unable to pay and could not offer a reasonable settlement. On August 21, 2015, a Notice of Seizure was filed against the remaining balances in the Company's bank accounts that totaled approximately \$2,500.

12. Events after the Reporting Period

Other than disclosed elsewhere in these condensed interim financial statements, no significant events occurred subsequent to September 30, 2015.