VVC EXPLORATION CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Six Months Ended

July 31st, 2015

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Form 51-102F1

VVC EXPLORATION CORPORATION (“VVC”)

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MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JULY 31, 2015

This Management’s Discussion and Analysis ("MD&A") of VVC for the six months ended July 31, 2015 (the “Period” or “Q2 2016”) was prepared on September 28, 2015 and should be read in conjunction with the Company’s July 31, 2015 unaudited condensed consolidated financial statements and related notes, prepared in accordance with International Financial Reporting Standards (“IFRS”). All financial information disclosed in this report was prepared in accordance with IFRS unless otherwise disclosed.

All amounts herein are expressed in Canadian dollars unless otherwise indicated. The technical information in the MD&A has been approved by Peter Dimmell, P.Geo., a mineral exploration consultant and a director of VVC, who is a qualified person (QP) in Newfoundland and Labrador, Ontario and Saskatchewan and QC (SP).

FORWARD LOOKING INFORMATION

This MD&A includes forward-looking statements that are subject to risks and uncertainties and other factors that may cause the actual results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions, which among other things, affect the price of metals, the foreign exchange rate, the ability of the Company to implement its business strategy, and changes in, or the failure to comply with government laws, regulations and guidelines. Unless otherwise required by applicable securities laws, VVC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information relating to VVC can be obtained from its News Releases and other public documents at the SEDAR website <www.sedar.com>.

BUSINESS OVERVIEW

The Company is a venture issuer reporting in Ontario, British Columbia, Alberta and Quebec. The Company’s common shares trade on the TSX Venture Exchange under the symbol "VVC".

VVC is in the business of acquisition and exploration of resource properties in the mineral sector. VVC's principal business activity is the exploration and development of gold and base metal mineral properties both nationally and internationally, but principally in Mexico.

Through most of the year, VVC operated in Mexico. On October 18, 2013, the Company acquired all the issued and outstanding shares of Camex Mining Development Group Inc ("Camex"), a company incorporated under the laws of Canada with its wholly-owned subsidiary, Exploración Meus de Mexico S.A. de C. V. ("Meus"), incorporated under the laws of Mexico. Through the acquisition of Camex, the Company acquired a 33.75% interest in Samalayuca Cobre S.A. de C.V. (“Samalayuca Cobre”) and 100% interest in the Escondida Property. More detailed information on the acquisition of Camex is set forth under “Major Transaction” on page 8-9. Throughout this document “the Company” refers to VVC and its wholly-owned subsidiaries, Camex, VVC Mexico and/or Meus.

(A) Samalayuca Cobre S.A. de C.V. (“Samalayuca Cobre”)

VVC Mexico, through its acquisition of Camex, owns 33.75% of Samalayuca Cobre, the owner of the Kaity claim (the “Kaity Property”), which covers stratiform copper mineralization along the Samalayuca Sierra. Firex, S.A. de C.V. (“Firex”), a 25% owner of Samalayuca is a mining engineering company who has agreed to provide up to $7 million for test mining startup and a pilot plant, which should generate cash flow when in production. The remaining interest in Samalayuca is owned 28.125% by Invesmin San Miguel S.A. de C.V. and 13.125% by Inversiones Agrofinancieras de Panama, S.A. The technical details of the project are given below. See the “Major Transaction” description for more details on the property and agreements associated.

The Kaity Property comprises one mining concession totaling 1623 ha located in Chihuahua State, approximately 60 km southwest of Juarez MX / El Paso, Texas. It is road accessible via Highway 45 and a number of unpaved roads/trails that extend around the Samalayuca range. The Kaity Property covers a stratiform, sedimentary copper deposit in Permian age, chloritized sandstones, carrying significant silver and minor gold values over a mineralized trend at least 5 km long. The Samalayuca Sierra has been explored for copper since the early 1960's with small scale, artisanal mining from a number of open pits carried out for a few years in the 1960's over a strike length of at least 4 km. Camex (now owned by VVC Mexico) work has included 395 mostly chip/channel samples, from the various deposits / showings along the trend, most of which gave copper values ranging from 0.1 to 0.8 %, with a number of values >1% copper. From east to west the zones include: La Suerte, La Zorra, La Juliana, La Gloria and La Concha.

A 43-101 report by Michel Boily, PhD, P.Geo, dated April 20, 2013 and filed on SEDAR on October 7, 2013, describes the property and mineralization as follows: "The mineralized rocks form part of a pluri-kilometer-thick sedimentary assemblage deposited in the Chihuahua trough from the Paleozoic through Early Cretaceous eras. This vast sedimentary trough is a right-lateral pullapart basin that underwent important deformation during the Late Cretaceous-Early Tertiary Laramide orogeny. The sedimentary formations containing the Cu mineralization consist of a cyclic sequence of fine to coarse-grained sandstones (chloritized quartzites/arenites) with subordinate phyllitic and conglomeratic intervals which exhibit low grade regional metamorphism. The copper mineralization (1-10%) occurs as fine-grained primary and supergene copper sulphides, including digenite, chalcocite, covellite, bornite and chalcopyrite. Oxidized copper minerals such as malachite and azurite are common as coating and in fractures. Metallurgical tests on heap leach and vat leaching processes for Cu-ore beneficiation determined that the optimum procedure is a vat leaching using an ore granulometry of -3/8", a time of lixiviation of 30 days followed by a wash Year of eight days, with industrial grade sulfuric acid concentrations of 3.0%. Exploration work conducted since 2010 consists of geological and structural mapping of the key Cu-mineralized areas including the open mined pits. Channel sampling was performed vertically and perpendicular to the strike of all sandstone layers exposed in the mining pits. The assay results from the collected samples served as a basis or calculating an Inferred Resources which was set at 4,100,281 t grading 0.47 wt. % Cu and 5.8 g/t Ag."

Due diligence – Three selected grab samples taken during a due diligence visit by QP, Peter Dimmell in July, 2013, prior to the Camex acquisition by VVC Mexico, gave the following results from selected hand samples: La Gloria Main Pit – 2.77% Cu, 21.2 g/T Ag; La Juliana – 21.6% Cu, 184.8 g/T Ag; La Suerte – 1.38% Cu, 9.5 g/T Ag. The high grade sample from La Juliana was a chalcocite vein in quartz carbonate approximately 2 cm wide while the samples from La Gloria and La Suerte were disseminated malachite and azurite in sandstone, typical of the mineralization noted along the Samalayuca trend.

Plans – Samalayuca Cobre is working with an environmental law firm for authorization from CONANP and SEMARNAT (Mexican government groups responsible for the environment) for the environmental and mining permits. The Project is supported by the local community in this process. Samalayuca Cobre is on track to start mine preparation work in 2016, dependent upon permitting. Firex, has signed a contract with Samalayuca Cobre to manage the mining process and provide up to $7 million in start-up loans to Samalayuca Cobre. Some previously mined low grade material is available on site for the first heap leach pad planned for 2016 to test and fine tune the heap leach system while the first mined material is planned for a heap leach pad later in 2016. If all goes as planned, the first revenues could be received some time in 2016. It should be noted that a feasibility study has not been completed and there is no certainty that the proposed operation will be economically viable or will conform to the planned timetable.

(B) Mineral Properties in Mexico

Cumeral Property

In April 2010, VVC Mexico finalized a formal option agreement with 2 Mexican individuals (the "Optionee") relating to a 665-hectare (ha) gold mining project known as Cumeral (the "Cumeral Property") consisting of 3 mining concessions, in the State of Sonora, Mexico. The agreement to acquire a 100% interest in the Cumeral Property provided for payments of US$800,000 plus applicable taxes ("VAT") over a period of three years, the issuance of 200,000 common shares of the Company, and the reservation of a 2% Net Smelter Return ("NSR"). A finder's fee of US$5,000 was paid and 130,000 shares of the Company were issued to 3rd parties who were instrumental in arranging the transaction. All payments have been completed and ownership of the Cumeral Property is in the process of being transferred to VVC Mexico. In addition, VVC Mexico acquired 3 additional concessions covering 5,984 ha from the Ministry of Mines, for a total property size of 6,649 ha. These additional concessions are 100% owned by VVC Mexico and are not subject to the Option Agreement.

The Cumeral Property is located approximately 140 kilometres south of the City of Tucson, Arizona and 200 kilometres north of the City of Hermosillo. A network of gravel roads and paved highways provide excellent year round access.

The Cumeral Property is situated in the under-explored Sierra Madre Occidental along the well mineralized "Sierra La Jojoba" trend, approximately 15 km northeast of the Mina Lluvia de Oro and Mina La Jojoba deposits which host over 26 million tonnes of measured, indicated and inferred resources grading 0.525 to 0.741 g/T gold (over 500,000 ounces of gold). This area of Sonora is host to numerous other gold deposits and mines, including Fresnillo PLC's & Newmont Mining Company's La Herradura Gold Mine which in 2009 produced over 255,000 ounces of gold and has proven and probable reserves of 193 million tonnes grading 0.65 g/T gold (4.1 million ounces). Other deposits in the area include San Francisco (780,000 ounces of gold reserves) and La Colorada (605,000 ounces of measured and indicated gold resources).

Exploration has included geological mapping, prospecting and rock chip sampling over a 120 hectare area in the vicinity of the old pits and shallow shafts (Tularcito area). Regional sampling has given values as high as 12.65 g/T in grab samples, and has defined five areas of gold/silver mineralization (Areas A to E) associated with strong alteration (sericite and quartz veining) with associated pyrite and hematite, trending in a northwest-southeast direction. The host units are heavily oxidized quartz sericite to biotite/muscovite schists. The Company also completed 28 air track drill holes totalling 572 metres with 15 holes in Area B and 13 holes in Area C and 1,020 meters in 14 holes in 2013 in Area A (1); Area B (3); Area C (4); Area E (4); Area F (2) for extensions to the east, down dip, on the stratigraphy of the known mineralized structures.

Area B, the main area of the artisanal (gambusino) workings, covers an area of 155 by 180 metres. Air track drilling returned values as high as 1.45 g/T gold and 6.74 g/T silver over 14 metres including 4.19 g/T gold over 4 metres. Other values varied from insignificant to 0.42 g/T gold and 14.56 g/T silver over 10 metres. Eight of the holes returned values of 0.1 to 0.4 g/T gold and 1 to 4 g/T silver over widths varying from 4 to 22 metres. Air track drilling on Area C which covered an area of 115 by 200 metres, also gave significant values including 0.44 g/T gold and 0.48 g/T silver over 10 metres, and 0.21 g/T gold and 0.53 g/T silver over widths varying from 6 to 26 metres. Area A which covers an area of 80 by 300 metres, in the northern part of the Property, consists of quartz veins/veinlets carrying minor malachite and azurite. The north copper vein along the contact of a mafic dyke, gave a value of 2.2 g/T gold, 493 g/T silver and 3.73 percent copper from a grab sample. Area D which covers an area of 100 by 270 metres and Area E which covers 140 by 200 metres, located in the southern part of the Cumeral Property, also show good potential.

In 2011/12, exploration, including geological mapping, rock chip sampling and soil geochemistry was carried out by independent geological consultant Michel Boily, PhD, P.Geo. with a National Instrument 43-101 report on the property prepared and filed on SEDAR. Combined results from the 2010-2012 mapping/rock sampling programs show high gold values (i.e 0.5 to >10 g/t) in hematized and pyritized quartz veins/veinlets associated with mylonitized, gently eastward-dipping, low angle (20º to 40º) faults. Geological mapping in the southern segment of the property has defined at least ten gold-mineralized structures generally confined to areas tested by the air track drilling program of 2010.

The combined 2010 to 2012 rock assay results for 407 samples taken over an area of 3 km along strike by 1 km wide, gives 8 values from 10 to 40 g/t Au (2 %), 42 from 1 to 10 g/t (10 %), 31 from 0.5 to 1.0 g/t Au (8 %) and 64 from 0.1-0.5 g/t Au (16 %). Using these results, 36 % give gold values varying from a low of 0.1 to a high of 40 g/t with a little less than half in the lowest range. These samples are grab samples representing mineralized quartz veins, altered / mineralized units and altered units. Approximately 25 samples, mainly quartz-hematite-goethite±tourmaline veins, give Ba values > 0.1 %.

A second phase of reverse circulation (RC) drilling using an airtrack drill was carried out in the early summer of 2013. A total of 1,020 meters in 14 holes tested five mineralized areas (Area A – one hole (14) – 100m; Area B – 3 holes (3,10,11) – 280 m; Area C – 4 holes (1,2,4,5) – 310 m; Area E – 4 holes (6-9) - 220 m; Area F – 2 holes (12,13) – 100 m) for extensions to the east, down dip, on the stratigraphy of the known mineralized structures. Intersection of the water table in some of the holes made the recovery of the rock unit fragments difficult in these areas. Samples were taken at 1 m intervals.

Results were not encouraging for a mineralized system dipping to the east along the stratigraphy and fault systems as the exploration team had hypothesized. No strong gold values over good widths such as the results from RC hole 2010-1 in Area B which gave 1.45 g/T Au and 6.74 g/T Ag over 14 m including 4 m at 4.19 g/T Au and 17.65 g/T Ag (NR Sept. 21, 2010) were intersected. Three holes gave values over 1 g/T over 1 m including RC-1 - 1.03 g/T - 52-53 m; RC-5 - 1.32 g/T - 67-68 m; and RC-12 - 1.06 g/T - 29-30 m. Three values >0.5 g/T were noted - RC-7 - 0.59 g/T - 16-17 m; RC-12 - 0.74 g/T - 10-11 m; and RC-13 - 0.54 g/T - 9-10 m; The widest section carrying anomalous gold values was located in RC-9 - 0.183 g/T / 6 m from 16-22 m. Other narrow zones in the 1-2 m range of anomalous gold values were also noted. Gold values were associated with zones carrying disseminated pyrite. No drill holes tested possible vertical or westward extensions of the zones located in the 2010 drilling and this potential will be tested in the next drill phase.

Check sampling using different methods, including a metallics screen analysis which gives total contained gold (Au-SCR21) at ALS Chemex gave similar results to the original values indicating that the values in the original sampling are most likely reflective of the actual values drilled unless there was a loss of gold/silver mineralization in the drilling, since the samples are brought to surface by entrainment in compressed air provided by the drill. No diamond drilling has been carried out and the RC drilling has been by air track type drills which may not properly test the mineralized units. A phase 3 diamond drill program, funding dependent, is planned to test the area of the known gambusino (artisinal) mineralization and the mineralized zones located in the 2010 drilling campaign. This program will give structural, lithological and alteration information that is difficult to derive from the RC drill holes.

A soil geochemical survey carried out to the north of the area covered by the detailed mapping and rock sampling program gave three anomalous areas with values of >50 ppb Au defined within zones characterized by a paucity of outcrops or in unmapped regions (News release June 12/12). The soil geochemistry, in conjunction with gold analyses from rock and soil samples taken from 2010 to 2012, gives a general NNW-SSE trend of elevated values extending for 4 km remaining open to the north and south along trend. Mapping to the west and north of the mineralized zones suggests a similar tectonic/geologic environment with the potential for gold-mineralized areas of similar quartz/pyrite/hematite veins. .

2013 Due diligence – 1 selected grab sample was acquired by the QP from Area F where sampling in 2012 gave significant gold values in narrow quartz veins. The sample gave 6.37 g/T Au, 22 g/T Ag and 518 ppm Pb from a shallow dipping, 3 cm wide quartz vein, carrying euhedral pyrite, cutting sericite schists. Bright white sericite schist, assumed to be a potassic alteration of the original units, was noted in many of the areas drilled in 2013. This is considered to be evidence of strong fluid flow, required for significant gold deposition, although associated gold mineralization may be peripheral to the sericitic (potassic) alteration. Further exploration is required in these areas.

Rock and soil samples were sent to the ALS Chemex laboratories in Chihuahua, Zacatecas or Hermosillo, Mexico. All Au analyses were by Fire Assay with a gravimetric finish. All other assays were performed by ICP-AES or AAS methods. Samples with ore grade values (>100 ppm Ag, >10,000 ppm Cu) were re-analyzed by ICP-AES or AAS. Gold values in soil samples (at least 25g) were determined by ICP-MS following digestion in Aqua Regia. A compilation map showing the soil geochemical anomalies and gold mineralization is filed on SEDAR as part of the June 12, 2012 news release and is also shown on the VVC website http://www.vvcexpl.com/news-releases/2012.html.

The Company had planned systematic exploration in 2014, including drilling, in all prospective areas, dependent upon financing and since financing has not been available this work has been deferred to 2015. Based on the geological setting and known deposits in the area, it is believed that the Cumeral Property has the potential to host significant gold / silver deposits in the 500,000 to 1 million ounce range.

La Tuna Property

In March 2010, the Company acquired a 3,533 ha gold project known as “La Tuna” located in the Municipality of Alamos, Sinaloa State, Mexico, at the junction of the Rio Fuerte and Rio Baboyahui rivers. VVC Mexico acquired a 100% interest in consideration of a one-time payment of US$40,000 plus applicable taxes and the issuance of 300,000 common shares of the Company. The Property is subject to a 2% NSR Royalty derived from mineral production, with a buy-back option. On March 6, 2013, VVC Mexico entered into an Option Agreement with Exploración Río Placer S. A. de C. V. (the “Optionee”) for the Property. During the 12 year term of the Option Agreement, ending on December 31, 2025, the Optionee had exclusive mining rights to the Property with VVC Mexico entitled to a 1% NSR Royalty payable on a monthly basis on every dry metric tonne of ore processed up to US$3,000,000 with a buyback option for US$1,000,000. The Optionee had the option to acquire a 100% interest in the La Tuna concessions by making all required NSR royalty payments and additional payments totalling US$500,000. A payment of US$20,000, due upon the signing of the agreement, was paid by the Optionee however the Optionee has terminated the Agreement and it is no longer in force.

The Property has gold potential in paleo placers, present day placers derived from the paleo placers and vein type deposits such as the La Perdida deposit. The river placer deposit and the paleo-placer zones are located mainly along the Rio Baboyahui near the river junction extending to the Rio Fuerte, an area of approximately 500 by 500 meters. The paleo-placer zone carries gold associated with magnetite (from black sand) which may allow definition of the paleo-channels by magnetic surveys. Limited historical sampling in the Year from 1987-91 in a “drift” in the paleo-placer mineralization gave a grade of 1 to 3 g/m^3 Au in one of these paleo-channels. Historical data (non 43-101 compliant) from 1994 indicates that the area contains 3.7 million m^3 at 2 g/m^3, equivalent to approximately 200,000 ounces of gold. It should be noted that the “paleo placer” was sampled as a placer deposit and since it is a hard rock deposit it should be sampled by weight using channel, chip or core samples not bulk samples of cubic metres, which has little relevance in a hard rock deposit. *Given the non 43-*

101 compliant nature of the "resources" and the sampling method used, the results noted above should be treated with caution.

The "La Perdida" vein type deposit is located in the north-west part of the Property. The structure which hosts the deposit, trends north-west and dips 25 degrees to the south-east. Historical results from 4 grab samples gave values from 3.29 g/t to 16.23 g/t Au, with three of the samples grading more than 10 g/t Au. The samples were taken from the portal (12.49 g/t), from the ore zone within the deposit (3.29 and 16.23 g/t) and from development muck (11.24 g/t).

Although the Property is still 100% owned, subject to the NSR, and has reasonable potential, the Company has elected reduce its commitment of financial resources on this property due to the fact that substantial exploration costs are required to identify the true potential of the property. The Company feels that there are more immediate opportunities on its other property interests. The Company will continue to look for ways to generate cash flow from this property, either by way of optioning or sale to a third party.

Escondida Property

On May 24, 2011, the Company, through its subsidiary, Camex, entered into an agreement with three individuals to assign a 100% interest in the Escondida Property consisting of 2 mineral concessions covering 178 hectares located in Sonora State, Mexico for US$502,000 (CA$552,200). Due to inadequate funding, the Company was unable to pay all the required option payments and as a result, lost its interest in the Escondida Property.

(C) Mineral Properties in Canada

Timmins area properties (Ontario)

In fiscal 2008, the Company staked a 9 claim unit property in Timmins Township of Ontario (the "Timmins Twp. Property"), located about 50 km southeast of Timmins, in the Abitibi Greenstone Belt of Northern Ontario. The Property, located in the centre of Timmins Township is deemed to be a prime base metals exploration target as it covers a northwest trending zone of strong airborne electromagnetic responses in a complex magnetic system. An initial program comprising line cutting and detailed geophysical surveys including magnetic, VLF and HLEM electromagnetic surveys was completed with 2 drill targets identified by a consultant. The encouraging results from these surveys justifies further exploration, however no further work has been carried out since the Company is focused on opportunities in Mexico.

Due to the lack of follow-up exploration, the Company has elected to reduce its financial commitment on this property. The Company still retains title. The Company currently has no plans for this property as it is focusing its efforts on the Mexican properties, while maintaining an interest in the property and attempting to joint venture it.

(D) Segmented Expenditures per Property

As of July 31, 2015, the Company has spent the following on its active mineral properties:

	La Tuna	**Cumeral**	**Timmins Twp.**	**Total**
Opening Balance	179,487	2,324,366	458,729	2,962,582
Administration	-	25,569	-	25,569
Drilling and exploration	-	-	-	-
Consulting	-	-	-	-
Geologist	-	-	-	-
Camp and travel	-	-	-	-
Acquisition	-	-	-	-
Supervision	-	-	-	-
Assaying and analysis	-	-	-	-
General expenses	-	-	-	-
Claims and taxes	-	-	-	-
Recoveries	-	-	-	-
Lost claims	-	-	-	-
January 31, 2015	179,487	2,349,935	458,729	2,988,151

As of January 31, 2015, the Company has spent the following on its active mineral properties:

	La Tuna	Cumeral	Timmins Twp.	Escondida (1)	Total
Opening Balance	90,586	1,946,962	458,729	353,281	2,849,558
Administration	-	20,763	-	-	20,763
Drilling and exploration	-	-	-	-	-
Consulting	-	59,440	-	-	59,440
Geologist	-	132,577	-	-	132,577
Camp and travel	-	-	-	-	-
Acquisition	-	14,142	-	-	14,142
Supervision	-	160,485	-	-	160,485
Assaying and analysis	-	-	-	-	-
General expenses	-	-	-	-	-
Claims and taxes	88,901	11,989	-	-	100,890
Recoveries	-	(21,992)	-	(295,658)	(317,650)
Lost claims	-	-	-	(57,623)	(57,623)
January 31, 2015	179,487	2,324,366	458,729	-	2,962,582

(1) As at January 31, 2015, the Company no longer held an interest in the Escondida Property.

SELECTED ANNUAL INFORMATION

Set forth below is a summary of the financial data derived from the Company's consolidated financial statements for the past 3 years (CA$).

	2015	Restated 2014	Restated 2013
Net loss for the year	**$ (1,366,796)**	**$ (1,786,996)**	**$ (1,240,261)**
Total assets	**2,468,411**	**2,475,819**	**597,125**
Mineral property expense	**170,647**	**936,636**	**519,311**
Stock-based compensation	**270,395**	**125,515**	**98,484**

SUMMARY OF QUARTERLY RESULTS

Set forth below is a summary of the financial data derived from the Company's consolidated financial statements of the 8 most recently completed quarters.

	Jul 31/15 Q1 2016	Apr 30/15 Q1 2016	Jan 31/15 Q4 2015	Oct 31/14 Q3 2015	Jul 31/14 Q2 2015	Restated Apr 30/14 Q1 2015	Restated Jan 31/14 Q4 2014	Restated Oct 31/13 Q3 2014
Operating costs less mineral property expenses	121,625	132,080	201,567	242,289	309,843	314,876	208,672	302,298
Interest income	3,000	3,000	3,000	2,810	2,822	3,000	-	-
Foreign exchange	(4,004)	2,021	(65,492)	46,927	45,731	(34,450)	46,382	(26,984)
Other	-	-	(2,135)	-	-	-	5,752	-
Mineral property revenue (expenses)	(16,101)	(9,468)	245,870	(281,193)	(32,431)	(102,893)	(638,674)	68,758
Share of loss in equity investee	(14,398)	(5,075)	(127,432)	-	(580)	(1,775)	(2,120)	-
Net income (loss)	(153,128)	(141,602)	(147,756)	(473,745)	(294,301)	(450,994)	(797,332)	(260,524)

RESULTS OF OPERATIONS – THREE MONTHS

The Company had operating costs less mineral property expenses ("Operation Costs") of $121,625 for Q2 2016 as compared to $309,843 for the same period in 2014 ("Q1 2015"). The Company had reductions in most major expense category in Q2 2016 as compared to Q2 2015. The following analyses the significant factors that resulted in the reduced Operation Costs of $188,218 from Q2 2015 to Q2 2016.

Stock-based compensation decreased by $75,354 over the same period in Q2 2015. No stock options were granted in either period, however, due to the nature of the valuation attributed to the stock options when they are granted, the expense reduces as the options vest. The Company considers the granting of stock options to key staff, directors and consultants as an imperative element in attracting and retaining quality talent. Stock-based compensation was $90,774 in Q2 2015 and $15,420 in Q2 2016. This expense is a non-cash expense and therefore does not negatively impact the Company's cash flow. The timing of stock option grants, the amortization of the expense and the inputs in determining the fair value are major factors in the overall stock-based compensation from period to period.

In Q2 2016, professional fees decreased by $18,830 from $24,830 in Q2 2015 to $6,000 in Q2 2016. Due to reduced operational activity and the efforts surrounding the re-zoning of the Samalayuca copper project, the Company did not incur significant legal or other professional fees in Q2 2016.

Management and consulting fees were $45,735 in Q2 2016 as compared to $131,000 in Q2 2015. This reduction of $85,265 was a result of the Company not paying any consultants in Q2 2016. Consultants were instrumental in positioning the Company strategically to assist with various financings throughout the year ended January 31, 2015.

It is important to note that majority of the management fees are accrued and are unpaid as of July 31, 2015. Management does not receive regular fees for their services at this time as they are committed to the monetization of the Samalayuca copper project, with funds directed to this objective. At July 31, 2015, $261,310 remains payable to management for their services.

In Q2 2016, travel and promotion increased by $6,301 from $4,452 in Q2 2015 to $10,753 in Q2 2016. The increase was a result of the timing of expenses related to the Company's annual meeting. These expenses were paid in an earlier period in 2015. Additional costs of $4,500 were incurred in travel costs related to activities in securing debt financing in Q2 2016.

While the Operation Costs for Q2 2016 were $121,625, the Company had net loss of $153,128 as compared to net loss of $294,301 in Q2 2015. The Company had mineral property exploration costs of $16,101 in Q2 2016 as compared to $32,431 in Q2 2015. Due to a lack of capital, the Company is unable to embark on all its intended exploration projects. The majority of funds available to the Company are used to support exploration and development of the Samalayuca copper project.

RESULTS OF OPERATIONS – SIX MONTHS

Management and consulting fees were $89,000 during the six months ended July 31, 2016 as compared to $208,000 for the same period in 2015. This reduction of $119,000 was a result of the Company not paying any consultants in 2016. Consultants were instrumental in positioning the Company strategically to assist with various financings throughout the year ended January 31, 2015.

It is important to note that majority of the management fees are accrued and are unpaid as of July 31, 2015. Management does not receive regular fees for their services at this time as they are committed to the monetization of the Samalayuca copper project, with funds directed to this objective. At July 31, 2015, $261,310 remains payable to management for their services.

Investor relations were $47,799 in 2016 as compared to $79,262 in 2015, a reduction of $31,463 year over year. The Company has not raised any equity capital in 2016. Investor relations generally increase as the Company expends effort in raising equity capital. This expense is anticipated to increase as the Company becomes more active in raising equity capital in the near future.

Stock-based compensation decreased by $152,765 over the same period in 2015. No stock options were granted in either period, however, due to the nature of the valuation attributed to the stock options when they are granted, the expense reduces as the options vest. The Company considers the granting of stock options to key staff, directors and consultants as an imperative element in attracting and retaining quality talent. Stock-based compensation was $32,575 in 2015 and $185,340 in 2016. This expense is a non-cash expense and therefore does not negatively impact the Company's cash flow. The timing of stock option grants, the amortization of the expense and the inputs in determining the fair value are major factors in the overall stock-based compensation from period to period.

Professional fees, listing and transfer fees and travel and promotion had a cumulative reduction of $54,090 from 2015 to 2016. Cumulatively, these expenses were $45,960 in 2016 as compared to $100,050 in 2015. The reduction in 2016 was directly related to the lack of equity financing that took place in 2016. In 2015, the Company raised $595,000 in equity financing which contributed to the higher fees in 2015, these expenses are considered ancillary to raising equity capital.

The Company's net loss of $294,730 included mineral property exploration costs of $25,569 in 2016. This expense can be compared to $135,324 in 2015 and a net loss of $745,295. Due to a lack of capital, the

Company is unable to embark on all its intended exploration projects. The majority of funds available to the Company are used to support exploration and development of the Samalayuca copper project. The Company's efforts relating to the Samalayuca copper project are focussed on the governmental re-zoning of the property which will allow for commercial copper production.

MATERIAL EVENTS OVER THE EIGHT MOST RECENT QUARTERS

Over the last eight quarters, the Company experienced a number of unusual events that resulted in the Company's losses being magnified.

There were no significant changes quarter over quarter between Q1 2016 and Q2 2016.

Net loss in Q4, 2015 was $147,756 as compared to net loss of $473,745 in Q3 2015. The primary reason for the change was a non cash adjustment related a change in accounting policy of expensing mineral property expenses as compared to deferring such costs as was previously done.

In Q2 2015, management and consulting fees increased from $77,000 to $131,000. The increase over Q1 was a result of consulting fees incurred in helping the Company to formulate and execute a strategy around the monetization of Samalayuca.

In Q4 2014, the Company had a loss of $2,120 which was its share of loss in an equity accounted investee. Until the Samalayuca copper property becomes profitable, the Company will continue to experience and report a 33.75% loss in the operations of Samalayuca.

In Q3 2014, the Company acquired Camex by issuing 59,900,000 common shares at a value $0.05 per share for a total purchase price of $2,995,000. Closing the Camex transaction resulted in a number of unusually high expenses for the quarter compared to previous quarters.

Management and consulting fees increased by approximately $60,000 over the previous quarter, primarily driven by the value of the 1,275,000 compensation shares issued to management and consultants.

DISCUSSION OF OPERATIONS

Prior to October 19, 2013, the Company had one major property, Cumeral, where it was focusing significant financial and operational resources. The property, a 665 ha gold mining project, located in the State of Sonora, Mexico has good potential for significant gold/silver mineralization. The Company has therefore designed a strategy around prospecting, geological mapping, diamond drilling and assaying to allow for better prioritization of targets. The Company intends to carry out further grass-root exploration including, a) extending the soil geochemistry to the NW and SE along strike using the regional prospecting to target the soil geochemistry; b) detailed prospecting / mapping on soil anomalies as they are found to define drill targets.

During 2013, the Company completed a major transaction in acquiring Camex. This acquisition exposed the Company to a number of additional opportunities. Details of the acquisition are set forth below under "*Major Transaction*".

The Company acquired 33.75% interest in Samalayuca Cobre which owns the Kaity Claim ("Samalayuca Copper Project"). Low grade copper mineralization, leftover from earlier gambusino (artisanal) type exploitation, is available on site for delivery to the first heap leach pad planned for late 2015 or early 2016, in order to test and fine tune the heap leach system.

Firex, a Mexican company, specializing in construction and operation of open pit mining projects, has signed a contract with Samalayuca Copper to manage the mining process and provide up to $7 million in start-up loans. The operation is hoped to be revenue producing by 2016. Pursuant to a Loan Agreement dated September 7, 2011 and amended on January 26, 2012, Camex is committed to paying the cost of obtaining all necessary permits up an aggregate of $2 million. This amount will represent a loan to Samalayuca Copper, which will be repaid once the property becomes a revenue producer. As at January 31, 2015, Camex had advanced $496,241 to Samalayuca Cobre and had accrued interest of $32,000.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2015, the Company had a working capital deficit of $524,734 compared to a working capital deficit of $282,052 at January 31, 2015. The Company continues to experience losses. The Company will need to seek financing as it does not have sufficient capital to cover its operating expenses and meet its commitment to help fund the Samalayuca copper project in Mexico. While the Company's current assets increased by $123,996, its current liabilities increased by $366,678, due primarily to accrued management fees, mineral property expenditures and $215,920 of debt financing that was raised during the period.

The Company still does not have sufficient cash reserves or cash flow to settle its accounts payables and short term debt. Interest also continues to be accrued at approximately $3,100 per month because the Company has not been able to materially reduce its debts.

At July 31, 2015, the Company had current assets of $701,472 (January 31, 2015 - $577,476). This amount is not sufficient to cover the Company's operating expenses and commitments relating to Samalayuca approximating $700,000 and $2,000,000 respectively. To obtain financing, the Company may need to issue common shares, units or obtain funding through additional promissory notes.

Due to the exploration stage of the Company, it has not generated any revenues or profits. As a result, the Company's funding has historically come either through the sale of shares, exercise of options and or warrants or the borrowing of funds from third parties. As a result of the recent low trading range of the Company's shares, it is unlikely that it will be able to obtain funding through the exercise of any of its 54,620,120 warrants or 9,100,000 stock options currently outstanding. The lack of revenue and income also make it challenging to borrow funds at reasonable interest rates. The Company is therefore left with the most likely source of funding to be the sale of treasury stock through private placement offerings.

To assist with financing its operations and covering a portion of its obligations, during the period, the Company completed multiple debt financing arrangements, where it raised $91,000 (USD $75,000) in convertible debenture financing. The debenture matures in 18 months and bears interest at 2% per month. The debenture is convertible into units at a price of CA$0.05 per unit any time after four months from issuance until June 4, 2016 and thereafter at CA$0.10 per unit until maturity. Each unit is exercisable for one common share and one warrant to purchase an additional share at CA$0.05 per share expiring on June 4, 2020.

During the period, the Company was advanced $124,950 (US$100,000) by a director of the Company as part of a debenture financing that was not complete at July 31, 2015. The new debenture financing is anticipated to be completed by October 31, 2015.

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

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

To induce the Lender, the Company has pledged to the Lender, on a proportional basis, 22,500 shares of Samalayuca Cobre S.A. de C.V. ("SC") representing half of its 33.75% interest. SC principal asset is a 4055 acre mineral claim in Northern Chihuahua, Mexico known as the "Samalayuca Project". The first $2 million loan commitment will be secured with 11,250 SC Shares to be placed in escrow upon the first closing. The final 11,250 SC Shares shall be placed in escrow following the commencement of a drawn-down on the second $2 million. In both cases, the SC Shares shall be placed in escrow by Lender to the law firm of DFK International, in Chihuahua Mexico who will act as Escrow Agent. The SC Shares will be released from escrow, on the basis of half after the first two million is repaid, and the other half when the balance of the loan is repaid. Should there be a default by the Borrower, which is not cured in the allotted time, a number of SC Shares will be delivered to the lender by the Escrow Agent calculated on a prorate basis of the principal amount of the loan in default.

GOING CONCERN

The ability of the Company to continue as a going concern is dependent on the successful completion of the actions taken or planned. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. As at July 31, 2015, the Company has accumulated losses of $32,696,462 and working deficit of $524,734.

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

OFF-STATEMENTS OF FINANCIAL POSITION ARRANGEMENTS

There are no off-statement of financial position arrangements.

RELATED PARTY TRANSACTIONS

Compensation to key management personnel were as follows:

July 31,		**2015**		2014
Compensation	**$**	**116,000**	$	119,000
Share-based payments (1)		**13,844**		78,770
Total	**$**	**129,844**	$	197,770

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

Included in accounts payable and accrued liabilities is $261,310 (2014 - $122,676) payable to key management personnel and directors.

OUTSTANDING SHARE DATA

a) Outstanding Common Shares

	Number of shares
Balance, July 31, 2015	181,786,131
Balance, September 28, 2015	181,786,131

b) Warrants and Stock Options

There were 54,620,120 warrants outstanding and exercisable as at July 31, 2015 and September 28, 2015.

Options outstanding and exercisable as at July 31, 2015 and September 28, 2015 are as follows:

	Options Outstanding				**Options Exercisable**		
Exercise Range	Number Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number Exercisable		Weighted Average Exercise Price
$0.06 - $0.14	8,000,000	$	0.06	3.47	8,000,000	$	0.06
$0.15 - $0.20	1,100,000	$	0.20	6.22	1,100,000	$	0.20
	9,100,000	$	0.08	3.80	9,100,000	$	0.08

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are as follows:

	July 31, 2015	January 31, 2015
Fair value through profit or loss, measured at fair value:		
Cash and cash equivalents	**$ 66,495**	$ 21,125
Loans and receivable, measured at amortized cost:		
Note receivable	**$ 611,359**	$ 528,241
Other liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**$ 842,886**	$ 692,128
Short term debt	**$ 383,320**	$ 167,400

Interest rate and credit risk

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

As at July 31, 2015, the Company holds a 33.75% interest in Samalayuca and a note receivable from Samalayuca for a combined value of $2,482,821 (January 31, 2015 - $2,419,176). One of the key assumptions made in the preparation of these consolidated financial statements is that the Samalayuca Copper Project will successfully generate cash flows and the Company will recover these amounts.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to the variability of copper prices. The Company consistently uses a price which is lower than the market price of copper for its financial models and forecasts.

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

Liquidity Risk

The Company has no income and relies on equity financing to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at July 31, 2015, the Company does not have sufficient capital to fund its operations over the next twelve months. As at July 31, 2015, the Company had a cash balance of $66,495 (January 31, 2015 - $21,125) to settle current liabilities of $1,226,206 (January 31, 2015 - $859,528).

Market Risk

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

Sensitivity Analysis

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

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and accounts payable and accrued liabilities that are denominated in Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss by approximately $6,066 (July 31, 2014 - $6,445).

OTHER MD&A REQUIREMENTS

Risks

The Company's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative.

The recoverability of amounts shown as mining interests and equipment, are dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying assets, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

OUTLOOK

The Company's primary focus is the exploration of its wholly owned, Cumeral Property in Sonora State and the near production, partially owned, Samalayuca mineral property in Chihuahua State, Mexico. Work on these properties is dependent upon the company raising significant exploration funding through private placements now ongoing. If exploration funding cannot be accessed these projects are good joint venture opportunities for companies looking to acquire projects in Mexico and more particularly in Sonora and Chihuahua states where exploration is increasing and opportunities for good projects are limited.

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