

Condensed Interim Financial Statements
(Expressed in Canadian dollars)

VENDETTA MINING CORP.
(An Exploration Stage Company)

Three months ended August 31, 2014 and 2013

(Unaudited – prepared by management)

NOTICE TO SHAREHOLDERS OF
Vendetta Mining Corp.

Responsibility for Financial Statements:

The accompanying condensed unaudited interim financial statements for the three months ended August 31, 2014 and 2013 of Vendetta Mining Corp. have been prepared by management in accordance with International Financial Reporting Standards consistently applied. The most significant of these accounting principles have been set out in these unaudited financial statements. Statements are presented on the accrual basis of accounting. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

VENDETTA MINING CORP.

(An Exploration Stage Company)

Condensed Interim Statement of Financial Position
(Unaudited – expressed in Canadian dollars)

	August 31, 2014	May 31, 2014
Assets		
Current assets:		
Cash	\$ 921,097	\$ 18,601
GST / HST receivable	2,312	-
Share subscriptions receivable (Note 5)	741,980	-
Prepaid expenses	2,600	3,900
	1,667,989	22,501
Resource property costs (Note 4)	597,887	14,561
	\$ 2,265,876	\$ 37,062

Liabilities and Shareholders' Equity

Current liabilities:		
GST / HST payable	\$ 239	\$ 624
Accounts payable and accrued liabilities (Note 7)	322,583	187,920
	322,822	188,544
Shareholders' equity:		
Share capital (Note 5)	3,020,968	819,209
Share subscriptions received (Note 5)	-	8,000
Reserves (Note 5)	285,438	285,438
Deficit	(1,363,352)	(1,264,129)
	1,943,054	(151,482)
	\$ 2,265,876	\$ 37,062

Nature of operations and going concern (Note 1)
Subsequent event (Note 9)

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

Approved on behalf of the Board:

“Michael J. Williams” Director

“Jeff Sundar” Director

VENDETTA MINING CORP.

(An Exploration Stage Company)

Condensed Interim Statement of Comprehensive Loss
(Unaudited – expressed in Canadian dollars)

	Three months ended	
	August 31, 2014	August 31, 2013
Expenses:		
Audit and accounting (Note 7)	\$ 6,000	\$ 3,000
Filing and transfer agent fees	17,510	2,125
Legal	954	-
Management fees (Note 7)	15,500	15,000
Office and administration (Note 7)	17,105	8,613
Property investigation costs	37,808	-
Travel	4,346	-
Loss and comprehensive loss for the period	\$ (99,223)	\$ (28,738)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding	12,287,876	11,911,625

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

VENDETTA MINING CORP.

(An Exploration Stage Company)

Condensed Interim Statement of Changes in Equity
(Unaudited – expressed in Canadian dollars)

	Number of shares (note 5)	Share capital (note 5)	Share subscriptions received	Share subscriptions receivable	RESERVES		Deficit	Total equity
					Share option reserves	Warrant and other reserves		
May 31, 2013	11,911,625	\$ 819,209	\$ -	\$ -	\$ 163,000	\$ 122,438	\$ (988,450)	\$ 116,197
Loss for the period	-	-	-	-	-	-	(28,738)	(28,738)
August 31, 2013	11,911,625	819,209	-	-	163,000	122,438	(1,017,188)	87,459
Share subscriptions received in advance	-	-	8,000	-	-	-	-	8,000
Loss for the period	-	-	-	-	-	-	(246,941)	(246,941)
May 31, 2014	11,911,625	819,209	8,000	-	163,000	122,438	(1,264,129)	(151,482)
Private placement shares issued	8,653,771	2,249,980	(8,000)	(741,980)	-	-	-	1,500,000
Share issuance costs	-	(48,221)	-	-	-	-	-	(48,221)
Loss for the period	-	-	-	-	-	-	(99,223)	(99,223)
August 31, 2014	20,565,396	\$ 3,020,968	\$ -	\$ (741,980)	\$ 163,000	\$ 122,438	\$ (1,363,352)	\$ 1,201,074

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

VENDETTA MINING CORP.

(An Exploration Stage Company)

Condensed Interim Statement of Cash Flows
(Unaudited – expressed in Canadian dollars)

	Three months ended	
	August 31, 2014	August 31, 2013
Cash flows from operating activities:		
Loss for the period	\$ (99,223)	\$ (28,738)
Changes in non-cash working capital:		
GST / HST receivable	(2,312)	(1,369)
Prepaid expenses	1,300	1,300
GST / HST payable	(385)	1,300
Accounts payable and accrued liabilities	134,663	16,039
	34,043	(11,468)
Cash flows from investing activities:		
Mineral property costs	(583,326)	-
	(583,326)	-
Cash flows from financing activities:		
Common shares issued for cash	1,500,000	-
Share issuance costs	(48,221)	-
	1,451,779	-
Increase (decrease) in cash and cash equivalents	902,496	(11,468)
Cash and cash equivalents, beginning of period	18,601	138,529
Cash and cash equivalents, end of period	\$ 921,097	\$ 127,061

There were no significant non-cash transactions during the three months ended August 31, 2014 and 2013.

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

VENDETTA MINING CORP.

Notes to Condensed Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

Three months ended August 31, 2014 and 2013

1. Nature of operations and going concern:

Vendetta Mining Corp. ("the Company" or "Vendetta") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on December 14, 2009 under the name of Azincourt Resources Inc. On July 16, 2010, the Company changed its name to Vendetta Mining Corp. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. Its common shares trade on the TSX Venture Exchange under the symbol VTT. The Company's registered address is: Suite 800 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is an exploration stage company and engages principally in the acquisition, exploration and development of resource properties. The recoverability of the amounts shown for resource property costs is ultimately dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, entering into agreements with others to explore and develop the resource properties, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as resource property costs represent net costs incurred to date, less amounts recovered from third parties and/or written-off, and do not necessarily represent present or future values.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. Several material uncertainties discussed below may cast substantial doubt upon the Company's ability to continue as a going concern.

The Company has a history of losses with no operating revenue other than interest income and management fees, an accumulated deficit of \$1,363,352 since inception, and a working capital of \$1,345,167 at August 31, 2014. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business. These conditions are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies:

(a) Basis of presentation:

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

VENDETTA MINING CORP.

Notes to Condensed Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

Three months ended August 31, 2014 and 2013

2. Significant accounting policies:

(a) Basis of presentation (continued):

Unless otherwise stated, amounts are expressed in Canadian dollars.

These condensed interim financial statements were authorized for issuance by the Board of Directors on October 30, 2014.

(b) Use of estimates and judgments:

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used include, among others, the amounts recorded for the recoverability and impairment of mineral properties, valuation of share-based payments and provision for deferred income tax, including the effects of flow-through shares.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the financial statements is included in the going concern assessment (Note 1).

(c) Foreign currency transactions:

The presentation currency and functional currency of the Company is the Canadian dollar. Transactions of the Company denominated in other currencies are translated into the relevant functional currency using the exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each balance sheet date to reflect exchange rates prevailing at that date and the related foreign exchange gains or losses are recognized in profit or loss.

3. New standards and interpretations yet to be adopted:

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended May 31, 2014, except for the adoption of new standards and interpretations effective as of June 1, 2014.

The Company adopted certain new standards and amendments effective June 1, 2014. These include IAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities, IAS 36 (Amendment) Recoverable Amount Disclosures for Non-Financial Assets, and IFRIC 21 Levies. As required by IAS 34, the nature and the effect of these changes are disclosed below.

Several other new standards and amendments apply for the first time in 2014. However, they are not applicable to the financial statements of the Company.

VENDETTA MINING CORP.

Notes to Condensed Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

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3. New standards and interpretations yet to be adopted (continued):

The nature and the impact of each new standard are described below:

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21, Levies

IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy.

New standards not yet adopted

Certain pronouncements were issued by the IASB or IFRS Interpretations Committee that are not mandatory for accounting periods beginning on or after January 1, 2014 or later periods. They have not been early adopted in these financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below:

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. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet made an assessment of the impact of the amendments.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Resource property costs:

The Company's mineral properties with associated acquisition-related costs that have been capitalized and reflected on the balance sheet are as follows:

	August 31, 2014	May 31, 2014
Honeymoon East, B.C., Canada	\$ 14,561	\$ 14,561
Pegmont, Queensland, Australia	583,326	-
	<u>\$ 597,887</u>	<u>\$ 14,561</u>

VENDETTA MINING CORP.

Notes to Condensed Interim Financial Statements
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4. Resource property costs (continued):

(a) Honeymoon East Property, British Columbia, Canada:

In January 2010, the Company acquired a 100% interest in 18 contiguous mineral claims covering 4,642 hectares called the Honeymoon East Project located near Clearwater in south central British Columbia by paying \$14,561 as reimbursement for claim maintenance fees and other acquisition costs. During the period ended May 31, 2010, the Company completed an initial exploration program consisting of geological, geochemical and geophysical analysis in order to identify exploration prospects for Phase 1 of the exploration program. During the year ended May 31, 2011, the Company commenced Stage 1 of the new exploration program. The Company has an accumulated resource property expenditure of \$220,649 as at August 31, 2014 (May 31, 2014 - \$220,649).

(b) Pegmont Property, Queensland, Australia:

On August 27, 2014 the Company entered into a definitive agreement with Pegmont Mines Limited ("Pegmont") whereby the Company has an option to acquire 100% of the Pegmont property comprising of three mining leases and two exploration tenements by a combination of cash payments, exploration commitments and advanced royalty payments.

Cash option payments totaling AUD\$3.0 million are as follows: AUD\$250,000 (paid) within 2 days of approval of the TSX Venture Exchange ("TSXV") of the transaction; AUD\$250,000 on the 12 month anniversary; AUD\$500,000 on the 24 month anniversary; AUD\$750,000 on the 36 month anniversary; and finally AUD\$1,250,000 on the 48 month anniversary. In addition, the Company has agreed to reimburse Pegmont for AUD\$322,000 (paid) of exploration expenses that they have incurred during the year. These expenditures will be applied to the overall expenditure requirements.

Exploration expenditures for the property comprise a minimum of AUD\$800,000 per year or meeting minimum requirements by the State of Queensland (whichever is greater) by August 10th of each year during the first 3 years of the option for a minimum commitment of AUD\$2.4 million. A minimum 17,000 m of drilling must be completed within a 42 month period commencing the day of TSXV approval of the transaction, with 2,000 m of this total to be drilled by the end of the 2014.

In the event of the Company exercising the option and as part of the final transfer of project titles, the Company has also agreed to pay an advance royalty to the Vendor of AUD\$3 million. The Company will receive a royalty credit of the cash option payments and advanced royalty for a total of AUD\$6.0 million, to be credited against future royalty payments. The Vendor will retain a royalty right on future concentrate production from the property of 1.25% of net smelter return, subject to the credit of \$6.0 million in favour of the Company. In the case where ore is sold rather than concentrate, a separate royalty formula allows for a royalty of AUD\$1.05 per tonne of ore sold, indexed to lead prices and to be conveyed to the Vendor, again subject to the AUD\$6.0 million credit. Where ore that is sold contains silver at concentrations above 64 ppm, an additional royalty amount is payable, starting at AUD\$0.06 per gram, indexed to the price of silver.

A total of \$37,808 of property investigation costs were incurred during the three months ended August 31, 2014 (year ended May 31, 2014 - \$187,685) relating to the review of the Pegmont property.

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5. Share capital:

(a) Authorized:

Unlimited common shares without par value.

(b) Private placements:

On August 27, 2014 the Company closed a non-brokered private placement for gross proceeds of \$2,249,980. The Company issued 8,653,771 units at \$0.26 per unit. Each unit is comprised of one common share and one-half share purchase warrant with each warrant exercisable into one additional common share at a price of \$0.35 per share until August 27, 2017. The Company paid cash finder's fees of \$46,982 in connection with the private placement. As at May 31, 2014, the Company had received \$8,000 of the proceeds which was recorded to share subscriptions received in advance. As at August 31, 2014, \$741,980 of the proceeds has been recorded to share subscriptions receivable.

The Company did not complete any financings during the year ended May 31, 2014.

(c) Warrants:

At August 31, 2014, the following warrants were outstanding:

Number outstanding May 31, 2014	Granted	Exercised	Expired/ Cancelled	Number outstanding Aug 31, 2014	Exercise price per share	Expiry date
1,815,000	-	-	-	1,815,000	0.20	Dec 29, 2014
870,000	-	-	-	870,000	0.20	Jan 31, 2015
3,924,625	-	-	-	3,924,625	0.20	May 28, 2015
-	4,326,887	-	-	4,326,887	0.35	Aug 28, 2017
6,609,625	4,326,887	-	-	10,936,512		
\$0.20	\$0.35	-	-	\$0.26	(weighted average)	

Number outstanding May 31, 2013	Granted	Exercised	Expired/ Cancelled	Number outstanding May 31, 2014	Exercise price per share	Expiry date
1,815,000	-	-	-	1,815,000	0.20	Dec 29, 2014
870,000	-	-	-	870,000	0.20	Jan 31, 2015
3,924,625	-	-	-	3,924,625	0.20	May 28, 2015
6,609,625	-	-	-	6,609,625		
\$0.20	-	-	-	\$0.20	(weighted average)	

(d) Stock options:

On June 8, 2010, the Company adopted a stock option plan, which authorizes the Board of Directors to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's stock option plan contains no vesting requirements, but permits the board of directors to specify a vesting schedule in its discretion.

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Notes to Condensed Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

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5. Share capital (continued):

(d) Stock options (continued):

Details of activity in share purchase options for the three months ended August 31, 2014 are as follows:

Number outstanding May 31, 2014	Granted	Exercised	Expired/ Cancelled	Number outstanding Aug 31, 2014	Exercise price per share	Expiry date
1,050,000	-	-	-	1,050,000	0.20	Oct 18, 2015

Subsequent to August 31, 2014, a former director of the Company exercised 50,000 stock options at an exercise price of \$0.20 per share for total proceeds of \$10,000. The Company also cancelled 550,000 stock options in relation to the resignation of two directors.

6. Segmented information:

The Company's business consists of one reportable segment being mineral exploration. Details about geographic areas as at August 31, 2014 and May 31, 2014 are as follows:

	Non-current assets
As at August 31, 2014	
Canada	\$ 14,561
Australia	583,326
Total	\$ 597,887
As at May 31, 2014	
Canada	\$ 14,561
Total	\$ 14,561

7. Related party transactions:

(a) During the period, the Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	Three months ended August 31, 2014	Three months ended August 31, 2013
Management fees and salaries to key management personnel or companies controlled by key management personnel	\$ 22,500	\$ 15,000
Office, administration, rent and accounting costs to a company with a former director in common	8,250	\$ 9,750

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management personnel consist of directors and senior management including the President and Chief Executive Officer, Chief Financial Officer, and Corporate Secretary.

VENDETTA MINING CORP.

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(Unaudited - expressed in Canadian dollars)

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7. Related party transactions (continued):

(b) Amounts due to related parties at the reporting dates include:

	August 31, 2014	May 31, 2014
Consulting fees and salaries to key management personnel or companies controlled by key management personnel	\$ 61,375	\$ 36,750
Geological consulting fees to key management personnel	44,000	-
Expense reimbursements	16,651	-
	\$ 122,026	\$ 36,750

Amounts due to related parties are unsecured, have no fixed terms of repayment, are non-interest bearing, and are included in accounts payable and accrued liabilities.

8. Financial instruments:

IFRS 7, Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have any financial instruments recognized at fair value. The carrying values of cash and accounts payable and accrued liabilities approximates their fair values due to their short terms to maturity.

(a) Financial risk factors and capital management:

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets of cash and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

VENDETTA MINING CORP.

Notes to Condensed Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

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8. Financial instruments (continued):

(a) Financial risk factors and capital management (continued):

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 8(b) of these condensed interim financial statements. The Company's expenditure commitments, pursuant to option agreements related to mineral properties, are disclosed in note 4.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

The Company's interest bearing financial assets is comprised of cash, which bear interest at fixed and variable rates. The Company is not exposed to material interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company's functional and presentation currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity. The Company's main risks are associated with fluctuations in the Australian dollar and assets and liabilities are translated based on the foreign currency translated method described in note 2(c). The Company does not enter into any foreign exchange hedging contracts.

(b) Capital management:

The Company's objectives of capital management are intended to safeguard the Company's ability to support the Company's exploration and development of its mineral properties and support any expansion plans. The capital of the Company consists of the items included in shareholders' equity and debt obligations net of cash and cash equivalents.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its financial objectives. The Company may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements. The Company is not subject to externally imposed capital requirements.

9. Subsequent event:

On October 21, 2014, the Company granted 1,150,000 stock options to directors, officers, consultants and employees of the Company, exercisable at \$0.25 per share for a period of four years.