Consolidated Financial Statements

Chinapintza Mining Corp.

(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)

For the Years Ended December 31, 2014 and 2013

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Chinapintza Mining Corp.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Chinapintza Mining Corp.** and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Chinapintza Mining Corp.** and its subsidiaries as at December 31, 2014 and December 31, 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which indicates that **Chinapintza Mining Corp.** has accumulated losses as at December 31, 2014 and negative cash flow from operations for the year then ended which may cast significant doubt about **Chinapintza Mining Corp.**'s ability to continue as a going concern.

SF Partnership, LLP

Toronto, Canada **LICENSED PUBLIC ACCOUNTANTS**
April 29, 2015

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash	$ 73,085	$ 249,564
Other receivable	37,946	24,268
	111,031	273,832
Mineral Rights (note 5)	529,142	485,126
Total Assets	$ 640,173	$ 758,958
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	42,991	36,867
Advances from Related Parties (note 6)	$ 628,459	$ 505,864
Asset Retirement Obligations (note 5)	5,112	4,687
	676,562	547,418
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share Capital (note 7)	300,798	300,798
Surplus Reserve (note 7)	168,502	168,502
Cumulative Translation Reserve	25,590	10,772
Deficit	(609,379)	(340,281)
Equity (Deficit)	(114,489)	139,791
Non-controlling Interest	78,100	71,749
Total Equity (Deficiency)	(36,389)	211,540
Total Liabilities and Equity	$ 640,173	$ 758,958

Commitments and Contractual Arrangements (note 8)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed "James Xiang"
Director

Signed "Paul Haber"
Director

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended December 31, 2014	Year ended December 31, 2013
Revenue	$ -	$ -
Expenses		
Consulting and professional fees	173,911	105,999
Management fees (note 11)	36,000	18,000
General and administrative	19,416	6,352
Filing and transfer agent fees	17,000	6,444
Director fees (note 11)	12,000	3,000
Travel	6,650	15,555
Investor relations	5,666	1,636
Foreign exchange loss	-	230
	270,643	157,216
Other gains		
Interest income	(1,545)	(1,575)
Net Loss before Income Taxes	269,098	155,641
Deferred income taxes (note 12)	-	-
Net Loss	269,098	155,641
Other Comprehensive gain		
Currency translation differences translating foreign operations attributable to the parent	(14,818)	(10,915)
Currency translation differences translating foreign operations attributable to non-controlling interest	(6,351)	(4,678)
Comprehensive Loss	**$ 247,929**	**$ 140,048**
Comprehensive Loss attributable to:		
Controlling equity holders	**$ 254,280**	**$ 140,891**
Non-controlling interest	**(6,351)**	**(843)**
	$ 247,929	**$ 140,048**
Weighted Average Number of Shares Outstanding	**44,054,375**	**39,974,931**
Loss per Share – basic and diluted	**$ (0.01)**	**$ (0.00)**

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)
For the years ended December 31, 2014 and 2013

	Number of Shares	Common Shares	Surplus Reserve	Cumulative Translation Reserve	Deficit	Shareholders' Equity (Deficiency)	Non-controlling Interest
Balance – December 31, 2012	**800**	**798**	**168,502**	**(143)**	**(19,537)**	**149,620**	**70,906**
<u>**Reverse takeover transaction (note 4 and 7b):**</u>							
Shares exchanged	(800)	-	-	-	-	-	-
Shares exchanged	35,000,000	131.062	-	-	-	-	-
Black Birch shares recognized	7,365,000	-	-	-	-	-	-
Shares issued to the Finder in connection with the Qualifying Transaction	1,689,375	168,938	-	-	(168,938)	-	-
Other comprehensive gain	-	-	-	10,915	-	10,915	4,678
Loss for the period	-	-	-	-	(151,806)	(151,806)	(3,835)
Balance – December 31, 2013	**44,054,375**	**300,798**	**168,502**	**10,772**	**(340,281)**	**139,791**	**71,749**
Other comprehensive gain	-	-	-	14,818	-	14,818	6,351
Loss for the period	-	-	-	-	(269,098)	(269,098)	-
Balance – December 31, 2014	**44,054,375**	**300,798**	**168,502**	**25,590**	**(609,379)**	**(114,489)**	**78,100**

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2014	Year ended December 31, 2013
Cash provided by (used in):		
Operating Activities:		
Net loss for the period	$ (269,098)	$ (155,641)
Changes in non-cash working capital items:		
Other receivable	(13,678)	(24,268)
Accounts payable and accrued liabilities	6,124	20,867
Net Cash Used in Operating Activities	(276,652)	(159,042)
Investing Activities:		
Cash acquired on RTO transaction (note 4)	-	481,328
Advances to related parties	-	1,035
Additions in mineral rights	(44,016)	(81,531)
Asset retirement obligation	-	-
Net Cash Used in Investing Activities	(44,016)	400,832
Financing Activities:		
Proceeds from related parties	122,595	86,002
Repayment of advances from related parties	-	(110,831)
Net Cash Provided by Financing Activities	122,595	(24,829)
Impact of foreign exchange on cash	21,594	32,603
Net (decrease) increase in cash	(176,479)	249,564
Cash - beginning of period	249,564	-
Cash - end of period	$ 73,085	$ 249,564

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

1. Nature and Continuance of Operations

Chinapintza Mining Corp (the "Company" or “CPA”) (formerly Black Birch Capital Acquisition II Corp (“Black Birch”)) was incorporated pursuant to articles of incorporation dated November 3, 2009 under the Business Corporations Act (Ontario). The Company was a "Capital Pool Corporation" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange") since its listing. On June 14, 2013, Black Birch was acquired by Guangshou Ecuador Minerals Ltd.(“Guangshou”) in a reverse takeover transaction (see note 4) and as result Black Birch carries on the business of Guangshou and continues pursuant to the laws of British Columbia. As a result, these audited consolidated financial statements reflect the financial position, operating results and cash flows of the Company’s legal subsidiary, Guangshou. Effective June 14, 2013, Black Birch changed its name to Chinapintza Mining Corp and trades under the symbol “CPA” on the TSX Venture Exchange. The address of the Company’s corporate office and principal place of business is 50 Richmond Street East, Suite 300, Toronto, Ontario, Canada, M5C 1N7.

The Company’s principal business is to acquire, explore and develop the gold and mineral mining rights in Chinapintza Property located in Ecuador. The Company has not yet determined whether the property contains mineral reserves that are economically recoverable.

On November 2, 2012, the Company’s subsidiary in Ecuador, Guangshou, entered into an agreement (“Shareholder Agreement”) with Condormining Corporation S.A. (“Condormining”) and JVChinapintza. As per the Shareholder Agreement, Condormining will transfer the title of the Chinapintza Property to JVChinapintza in order to further the exploration, evaluation, and if justified, the development and mining of mineral resources within the property for the benefit of the shareholders. The Company holds 70% shareholder interest of JVChinapintza whereas Condormining holds the other 30% shareholder interest of JVChinapintza.

2. Going Concern

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

2. Going Concern (Cont'd)

The Company's long term continuance is dependent on obtaining sufficient external financing, to realize the recoverability of its investment in mineral rights in the Chinapintza Property which is dependent upon the existence of economically recoverable reserves and upon future profitable production. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage. As at December 31, 2014, the Company has an accumulated deficit of $609,379 (December 31, 2013 - $340,281), and incurred a net loss of $269,098 (December 31, 2013 - $155,641) for the year ended December 31, 2014. The Company has a negative cash flow from operations of $276,652 (December 31, 2013 - $159,042) for the year ended December 31, 2014, and a working capital of $68,040 as at December 31, 2014 (December 31, 2013 - $236,965).

These consolidated financial statements do not reflect adjustments to the carrying value of assets, liabilities, the reported expenses and financial position classifications used that might be necessary if the going concern assumption were not appropriate.

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

On December 23, 2014, Guangshou received a 30 day termination notice from Condormining which claims that Guangshou has made various breaches of its obligations under the terms of the Shareholders Agreement. Guanghshou responded to the notice within 30 days rejecting all those claims and continues to be in discussion with Condormining to remedy any obligations under the Shareholders Agreement. If the negotiations are unsuccessful, according to the Shareholders Agreement it is terminated, which would result in JVChinapintza transferring the mineral rights to Condormining and disposing of and removing all the assets and complying with all environmental and other rehabilitation requirements. In exchange, Condormining would issue a number of shares in the capital of Condormining, having a value equal to 150% of the amount of funds advanced by Guangshou to the JVChinapintza, which may be materially different from the current value of the mineral rights.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these audited consolidated financial statements.

a) Statement of compliance to IFRS

These consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of April 29, 2015, the date the Board of Directors approved the audited consolidated financial statements for issue.

b) Basis of presentation

These audited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Guangshou and Guangshou’s 70% interest and control in JVChinapintza. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of loss and comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

These audited consolidated financial statements have been prepared on a historical cost convention using the accrual basis of accounting except for the cash flow information.

Presentation of the consolidated statements of financial position differentiates between current and non-current assets and liabilities. The consolidated statements of loss and comprehensive loss are prepared using the functional classification.

c) Functional currency translation

i) Functional and presentation currency

Items included in the audited consolidated financial statements of each consolidated entity in the group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The audited consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is Canadian dollars while the functional currency of its legal subsidiaries Guangshou and JVChinapintza is the United States dollar.

3. Significant Accounting Policies (Cont'd)

c) Functional currency translation (Cont'd)

i) Functional and presentation currency (Cont'd)

The audited consolidated financial statements are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate of the period (as this is considered a reasonable approximation to the actual rates). All resulting changes are recognized in other comprehensive income (loss) as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income (loss) related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income (loss) related to the subsidiary are reallocated between controlling and non-controlling interests.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the transaction at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statement of loss.

d) Measurement uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include the valuation of mineral rights, asset retirement obligation, and recoverability of deferred tax assets. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the consolidated financial statements of future periods could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the consolidated statement of income or loss in the periods in which they become known.

3. Significant Accounting Policies (Cont'd)

e) Significant accounting judgements

The critical judgements that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 3(d)), that have the most significant effect on the amounts recognized in the Company's audited consolidated financial statements are related to the economic recoverability of the mineral rights, determining the smallest group of assets that generates independent cash flow stages of exploration, the interpretation and application of tax laws, the determination of functional currency for the Company and its subsidiaries, provision for reclamation and obligation, and the assumption that the Company will continue as a going concern.

f) Cash

Cash includes cash on deposit held with reputable financial institutions.

g) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

i*) Financial assets and liabilities at fair value through profit or loss*

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

3. Significant Accounting Policies (Cont'd)

g) Financial instruments (cont'd)

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income or loss. Gains and losses arising from changes in fair value are presented in the consolidated statement of income or loss within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit and loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the statement of financial position date, which are classified as non-current. The Company at this time does not have any financial instruments in this category.

ii) Available-for-sale investment

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company at this time does not have any financial instruments in this category.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the consolidated statement of income or loss as part of interest income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of income or loss as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the consolidated statement of income or loss and included in other gains and losses.

iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment, if any. The Company has classified cash, other receivable and advances to related parties as loans and receivables.

3. Significant Accounting Policies (Cont'd)

g) Financial instruments (cont'd)

iv) Held to maturity investments

Held to maturity investments are non-derivative financial assets with no fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured originally at fair value and then subsequently at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, the financial asset is measured at the estimated present value of future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment are recognized in the consolidated statement of income or loss. The Company at this time does not have any financial instruments in this category.

v) Other financial liabilities

Other financial liabilities are non-derivative liabilities recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost each period. The Company has classified accounts payable and accrued liabilities as other financial liabilities.

h) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

(i) Financial assets carried at amortized cost

The loss is the difference between the amortized cost of the financial asset and the present value of the estimated future cashflows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. The amount of the impairment is recognized in the consolidated statement of income or loss.

Impairment losses on financial assets carried at amortized costs may be reversed in subsequent periods if the amount of the loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized.

3. Significant Accounting Policies (Cont'd)

h) Impairment of financial assets (cont'd)

(ii) Available-for-sale financial assets

The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss. This amount represents the cumulative loss in accumulated other comprehensive loss that is reclassified to net loss.

Impairment losses on available-for-sale equity instruments are not reversed.

i) Revenue recognition

Revenue will be recorded when the fair value of the consideration is received or receivable and will be recognized to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Interest income is recognized as it accrues using the effective interest method.

j) Non-controlling interests

Non-controlling interests represent equity interests in its subsidiary, JVChinapintza, owned by outside parties. The share of net assets of subsidiary attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity. Changes in the parent company's ownership interest in its subsidiary that do not result in a loss of control are accounted for as an equity transaction.

k) Comprehensive income or loss

Comprehensive income or loss is the change in equity of an enterprise during a period from transactions, events and circumstances other than those under the control of management and the owners. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company reports comprehensive income or loss in its consolidated statement of loss and comprehensive loss and in its consolidated statement of changes in shareholders' equity.

3. Significant Accounting Policies (Cont'd)

l) Income taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to equity transactions, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are recorded using the statement of financial position liability method. Under the statement of financial position liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to unused tax losses and unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The following temporary differences are not provided for: the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

m) Identifiable intangible assets

Mineral Rights
The Company is in the exploration stage and defers all expenditures related to its acquired mineral rights until such time as the property is put into commercial production, sold or abandoned. Under this method, the amounts reported represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

i) Pre-Exploration

Pre-exploration costs in areas where a legal right to explore has not been obtained are expensed as incurred.

3. Significant Accounting Policies (Cont'd)

m) Identifiable intangible assets (cont'd)

ii) Exploration and evaluation expenditures

Exploration and evaluation ('E&E') costs incurred after the legal right to explore is obtained, but before technical feasibility and commercial viability of the project has been demonstrated are capitalized as E&E assets. These include the costs of acquiring the licenses and directly attributable general and administrative costs. All applicable costs are capitalized as either tangible or intangible E&E assets depending on the nature of the assets acquired. The costs are accumulated in cost centers by exploration area.

iii) Development and production costs

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all E&E costs attributable to that area are reclassified to construction in progress within property, plant and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

n) Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If an indication exists, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life, including goodwill, is tested for impairment annually and whenever there is a indication that the asset may be impaired.

A CGU recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

3. Significant Accounting Policies (Cont'd)

n) Impairment of non-financial assets (cont'd)

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment is recognized immediately in the consolidated statement of profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. Impairment losses related to goodwill are not reversed.

Industry specific indicators for an impairment review on mineral rights and capitalized exploration related expenditures arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation.

The Company has determined that its non-financial assets are not impaired as at December 31, 2014.

o) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant, other site preparation work, and water and soil management, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

3. Significant Accounting Policies (Cont'd)

o) Restoration, rehabilitation and environmental obligations (cont'd)

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

p) Share-based payments

The Company has a stock-based compensation plan. The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense and an increase to share base payment reserve. Any consideration paid by individuals on the exercise of stock options or purchase of stock is credited to share capital plus the amounts originally recorded as share base payment reserve. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

q) Non-monetary transactions

Transactions with no cash consideration are measured at the fair value of either the asset given up or the asset received, whichever is more reliably determinable.

r) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculations as the effect would be anti-dilutive.

3. Significant Accounting Policies (Cont'd)

s) Reverse takeover accounting transactions that do not constitute business combinations

IFRS does not provide guidance with respect to reverse takeover transactions that do not constitute a business combination. As a result management has applied IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which allows the creation of an accounting policy. Reverse takeover transactions that do not constitute a business combination are accounted for as a recapitalization whereby the number of shares issued and outstanding is that of the legal parent and whereas the share capital amount is that of the legal subsidiary plus the share capital transactions of the Company from the date of the transaction onwards. The fair value of share-based consideration provided by the legal subsidiary to the legal parent to effect the transaction is equal to the fair value of the net assets of the legal parent.

Costs associated with these types of reverse takeover transactions are split into components and treated as a reduction of equity where costs have been incurred preceding the reverse takeover transaction. Costs that are not associated with the raising of capital are expensed as incurred.

3. Significant Accounting Policies (Cont'd)

t) New accounting standards and recent pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective as at December 31, 2014, and have not been applied in preparing these consolidated financial statements. The following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

International Accounting Standards		Effective Date
IFRS 9 – Financial Instruments	IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income	January 1, 2018

The Company is in the process of assessing the impact that the new and amended standard will have on its consolidated financial statements or whether to early adopt the new requirement.

4. Reverse Takeover Transaction

On June 14, 2013, Guangshou acquired Black Birch in a reverse takeover transaction ("RTO Transaction"). Prior to the transaction, Black Birch had 7,365,000 common shares outstanding. Black Birch acquired 35,000,000 common shares of Guangshou in return for its net assets. Black Birch then issued 35,000,000 of its common shares to the original shareholders of Guangshou.

This transaction was accounted for as a reverse takeover transaction that does not constitute a business combination. For accounting purposes, the legal parent company (Black Birch) in the reverse takeover transaction is deemed to be a continuation of the legal subsidiary (Guangshou) which is regarded as the acquirer. Accordingly, the consolidated financial statements reflect the significant accounting policies of Guangshou. As a result, these consolidated financial statements reflect the financial position, operating results and cash flows of Guangshou, as at December 31, 2014 and 2013, and for the years ended December 31, 2014 and 2013. The operating results of Black Birch have been included commencing June 15, 2013.

Since Guangshou is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

Net assets acquired at fair value:

Cash and cash equivalents received	$ 481,328
Other receivable and prepaid received	17,010
Liabilities assumed	(367,276)
	$ 131,062

5. Mineral Rights

On November 2, 2012, the Company's subsidiary in Ecuador entered into an agreement ("Shareholder Agreement") with Condormining Corporation S.A. ("Condormining") and JVChinapintza. As per the Shareholder Agreement, Condormining will transfer the title of the Chinapintza Property to JVChinapintza in order to further the exploration, evaluation, and if justified, the development and mining of mineral resources within the property for the benefit of the shareholders. The Company holds 70% shareholder interest of JVChinapintza whereas Condormining holds the other 30% shareholder interest of JVChinapintza.

As per the Shareholder Agreement, the Company shall provide sufficient funds, including working capital, to advance the operations of the Chinapintza Property to commercial production of mining operations. The funds advanced by the Company will not be repayable until the commercial operation begins and net profits are generated from the development of the Chinapintza Property.

5. Mineral Rights (Cont'd)

JV Chinapintza, the Company's 70% owned subsidiary, acquired the Chinapintza Property from Condormining as a result of the Shareholder Agreement and the costs incurred by Condormining on the Chinapintza Property prior to the acquisition were capitalized by JVChinapintza.

The cumulative costs capitalized on the Company's mineral rights are as follows:

	December 31, 2014	December 31, 2013
Opening balance	$ 485,126	$ 403,293
Capitalized during the period	-	56,389
Foreign exchange movement	44,016	25,444
Closing balance	$ 529,142	$ 485,126

On December 23, 2014, Guangshou received a 30 day termination notice from Condormining which claims that Guangshou has made various breaches of its obligations under the terms of the Shareholders Agreement. Guangshou responded to the notice within 30 days rejecting all those claims and continues to be in discussion with Condormining to remedy and obligations under the Shareholders Agreement.

6. Advances from Related Parties

As at December 31, 2014, advances received from Condormining, the minority interest holder of JVChinapintza, amounted to $252,369 (December 31, 2013 - $231,377). The advances are non-interest bearing, unsecured and only payable by JVChinapintza from the net profits generated by Chinapintza Property when it enters into a commercial production stage in the future.

As at December 31, 2014, advances received from G.S. International Mining Co., Ltd, the controlling shareholder of the Company, amounted to $376,090 (December 31, 2013 - $274,487). The advances are non-interest bearing, unsecured and only payable by JVChinapintza from the net profits generated by Chinapintza Property when it enters into a commercial production stage in the future.

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Notes to the Consolidated Financial Statements
For the years ended December 31, 2014 and 2013
(Expressed in Canadian dollars)

7. Share Capital

a) *Authorized*
Unlimited number of common shares.

b) *Issued and outstanding*
Issued common shares are as follows:

	Number of shares	Amount
Opening Balance	-	$ -
Issued on inception (October 26, 2012)	800	798
Balance – December 31, 2012	**800**	**798**
Shares exchanged	(800)	-
Shares exchanged	35,000,000	131,062
Reverse takeover adjustments:		
Black Birch shares recognized	7,365,000	-
Shares issued to the Finder with the Qualifying Transaction	1,689,375	168,938
Balance – December 31, 2013 and 2014	**44,054,375**	**300,798**

c) *Surplus reserve*

The Company's surplus reserve balance as at December 31, 2014 is as follows:

		Amount
Opening Balance	$	-
Additions during the period from inception (October 26,2012) to December 31, 2013		168,502
Balance – December 31, 2013 and 2014	**$**	**168,502**

d) *Stock options and share-based payment*

The Company has a stock option plan which allows for the issuance of options to purchase shares at specific prices for a specific period of time. All directors, officers, employees, and consultants are eligible to participate in the plan. The total number of shares reserved for issuance under the stock option plan will not exceed 10% of the Company's issued common shares on the date of the grant.

As at December 31, 2014, the Company had no stock options issued and outstanding.

8. Commitments and Contractual Arrangements

As at December 31, 2014, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) In November 2, 2012, the Company entered into a shareholder agreement ("Shareholder Agreement") with Condormining and its 70% owned subsidiary, JVChinapintza. As per the Shareholder Agreement, the Company is required to provide sufficient funds, including working capital to JVChinapintza until commercial production of the Chinapintza Property. All funds advanced to JVChinapintza will only be payable out of net profits generated from commercial production of its mineral reserves. On December 23, 2014, Guangshou received a 30 day termination notice from Condormining which claims that Guangshou has made various breaches of its obligations under the terms of the Shareholders Agreement. Guangshou responded to the notice within 30 days rejecting all those claims and continues to be in discussion with Condormining to remedy and obligations under the Shareholders Agreement.

b) All mine production is subject to royalty payments to the Ecuadorean government. The Company will be subject to the following royalty payments:
    i. Minimum of 5% gross value of bullion produced for gold and silver;
    ii. Minimum of 5% gross value of metal produced for base metals including copper, lead and zinc.

9. Capital Management

As at December 31, 2014, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of $300,798 (December 31, 2013 - $300,798), surplus reserve of $168,502 (December 31, 2013 - $168,502), non-controlling interest of $78,100 (December 31, 2013 - $71,749), and deficit of $609,379 (December 31, 2013 - $340,281).

The Company's objective when managing capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development objectives, and to ensure that the Company continues as a going concern.

10. Segmented Information

The Company operates in two reportable segments. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

December 31, 2014	North America	South America	Total
Assets	$ 108,521	$ 531,652	$ 640,173
Net loss	$ 269,098	$ nil	$ 269,098
Comprehensive loss	$ 247,929	$ nil	$ 247,929

December 31, 2013	North America	South America	Total
Assets	$ 271,529	$ 487,429	$ 758,958
Net loss	$ 121,843	$ 33,798	$ 155,641
Comprehensive loss	$ 121,843	$ 18,205	$ 140,048

11. Related Party Transactions

The Company considers its Board of Directors and certain consultants which, by virtue of the contracts in place and the functions performed, to be key management. Compensation awarded to key management is listed below:

	Year ended December 31, 2014	Year ended December 31, 2013
Management fees	$ 36,000	$ 18,000
Director fees	12,000	3,000
Total	$ 48,000	$ 21,000

For the year ended December 31, 2014, the Company paid or accrued management fees of $36,000 (December 31, 2013 - $18,000) to Venture North Capital Inc. and $12,000 (December 31, 2013 - $3,000) to Haber and Co. Ltd., companies controlled by officers and/or directors of the Company.

These transactions are in the normal course of operations and at the exchange amount agreed to by the related parties.

12. Income Taxes and Deferred Income Tax

In assessing the realization of the Company's deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on future taxable income generated during the carry-forward period.

a) Deferred income tax assets and liabilities

No deferred tax asset has been recognized as the Company is reflecting uncertainties associated with realization of all deferred income tax assets.

The value and cost base of the property for Ecuadoran tax purposes is currently being determined and may vary, upon final determination, from the value reflected in the financial statements. As a result of such variation a deferred tax asset or deferred tax liability may be recorded at that time.

The significant components of the Company's deferred tax assets are as follows:

	December 31, 2014	December 31, 2013
Non-capital tax losses carried forward	$ 169,900	$ 93,400

b) Non-capital losses

As at December 31, 2014, the Company can carry forward Canadian non-capital losses to reduce taxable income in future years of approximately $582,200 expiring as follows:

Year 2029	$ 1,100
Year 2030	$ 45,900
Year 2031	$ 61,400
Year 2032	$ 51,900
Year 2033	$ 121,900
Year 2034	$ 300,000
	$ 582,200

12. Income Taxes and Deferred Income Tax (Cont'd)

As at December 31, 2014, the Company can carry forward Ecuadorian non-capital losses to reduce taxable income in future years of approximately $23,800 expiring as follows:

Year 2017	$ 21,000
Year 2018	$ 2,800
	$ 23,800

c) Income tax reconciliation

	Year ended December 31, 2014	Year ended December 31, 2013
Income tax recovery expected at statutory rate	$ (70,000)	$ (40,800)
Effect of differences in foreign tax rates	2,387	(2,433)
Expenses not deductible for tax purpose	-	-
Temporary difference for which no deferred tax asset was recognized	-	-
Tax losses for which no deferred tax asset was recognized	76,500	86,200
Impact of loss carryforwards acquired in RTO transaction	-	(42,500)
Foreign exchange rate differences and other	(8,887)	(467)
Current and deferred taxes expense (recovery)	$ -	$ -

13. Financial Instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

13. Financial Instruments (Cont'd)

Fair value

As at December 31, 2014, the Company's financial instruments consist of cash, other receivable, accounts payable and accrued liabilities with which their carrying values approximate fair value due to their short-term nature.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs and operations.

The Company intends to issue equity to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash, other receivable and advances to related parties. The Company minimizes the credit risk of cash by depositing only with reputable institutions. There is no allowance for doubtful accounts recorded as at December 31, 2014.

Market risk

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

i) Interest rate risk
The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates.

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

14. Non-monetary Transaction

The Company's non-monetary transaction includes shares issued to the Finder with the Qualifying Transaction in the amount of $168,938 (as described in note 7(b)).