

# VVC Signs \$4 Million Loan Agreement and Announces Proposed Timeline for Samalayuca Copper Project Pilot Mining Production

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TORONTO, ONTARIO--(Marketwired - Sep 2, 2014) - [VVC Exploration Corp.](#) ("**VVC**" or the "**Company**") (TSX VENTURE:VVC) is pleased to announce that its wholly owned subsidiary, Camex Mining Development Group Inc. ("Camex") has signed a loan agreement with Aeris Trading Corp. (the "Lender") for a loan of up to US\$4 million which was previously announced by press release dated August 11, 2014. The loan agreement has been conditional accepted for filing by the TSX Venture Exchange ("TSXV"). 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 VVC. Once the planned pilot mine is operating, the loan will be repaid from the proceeds of VVC's share of the Samalayuca mining revenue.

The loan is for US\$2 million initially but can be extended to US\$4 million, once mining permits for the Samalayuca Copper Project are received. The first \$250,000 will be provided to Camex at the earlier of one month following the final signoff of all documents after receipt of the TSXV acceptance, or September 30, 2014. 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, VVC 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 received. 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 Lender, Camex has pledged to the Lender, on a proportional basis, 22,500 shares of Samalayuca Cobre S.A. de C.V. ("SC") representing 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 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 prorated basis of the principal amount of the loan in default.

Jim Culver, VVC's President commented: "We are very pleased that with TSXV's acceptance, VVC has been able to complete this loan facility. This loan, in conjunction with the ongoing private placement, will provide the Company with funding to advance the Samalayuca Copper project to pilot production. VVC expects this pilot mining operation to allow the Company to be cash flow positive from copper production revenue from the Company's Samalayuca Copper project in the next 12-15 months."

Highlights from VVC's timeline projections for the Samalayuca Project over the next 12-15 months are:

## Stage 1: August 2014 - November 2014

- Land Use Change Approval first by the Advisory Committee (Advisory Committee approved on July 17 and recently by the Regional Director of CONAP (Division of Mexico's Environmental Agency that governs Land Use Designation). The National Director of CONAP in Mexico City has said publicly that if the Advisory Committee approved he would also. All of the necessary documentation has been submitted and is pending review by the Director of CONAP in Mexico City
- Request for Permits to be filed in September (agency is required to answer in 60 days)
- Drilling for pit definition to begin in September

## **Stage 2: December 2014 - April 2015**

- All land use changes and permits are expected to be approved and project preparation for pilot production is to begin.
- Final drilling for the first open pit mine will be completed.
- Construction of roads, heap leach pad, lab, recovery facility, and office should be completed

## **Stage 3: May 2015 - August 2015**

- Previously mined ore stockpiled on surface to be placed on heap leach pad
- Production of 50,000 tons of ore per month begins (500,000 lbs of copper).
- First project cash flow in June/July 2015.

### About VVC Exploration Corporation

VVC is a Canadian exploration and mining company with projects in Mexico and Canada, which includes a near production copper prospect in Chihuahua State, and gold and silver prospects in Sonora and Sinaloa States, Mexico. The Company also has a grassroots gold/VMS prospect in the Timmins area of northern Ontario. VVC is aggressively seeking to convert its near production copper project, Samalayuca, to pilot scale production, then full production.

On behalf of the Board of Directors

Michel J. Lafrance, Secretary-Treasurer

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*This news release contains "forward-looking information" (within the meaning of applicable Canadian securities laws) and "forward-looking statements" (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). Such statements or information are identified with words such as "anticipate", "believe", "expect", "plan", "intend", "potential", "estimate", "propose", "project", "outlook", "foresee" or similar words suggesting future outcomes or statements regarding an outlook. Such statements include, among others, those concerning the Company's anticipated operational plans and activities including the revenue and growth outlook. Specifically, they include the statements that "the loan will be repaid from the proceeds of VVC's share of the Samalayuca mining revenue", "This loan ... will provide the Company with funding to advance the Samalayuca Copper project to pilot production", and "the Company to be cash flow positive from copper production revenue from the Company's Samalayuca Copper project in the next 12-15 months".*

*Such forward-looking information or statements are based on a number of risks, uncertainties and assumptions which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Assumptions have been made regarding, among other things, management's expectations regarding future growth, plans for and completion of projects by Company's third party relationships, availability of capital, and the necessity to incur capital and other expenditures. Actual results could differ materially due to a number of factors, including, without limitation, operational risks in the completion of Company's anticipated projects, delays or changes in plans with respect to the development of Company's anticipated projects by Company's third party relationships, risks affecting Company's ability to develop projects, risks inherent in operating in foreign jurisdictions, the ability to attract key personnel, and the inability to raise additional capital. No assurances can be given that the Company's efforts will yield the anticipated results as outlined herein. Additional assumptions and risks are set out in detail in the Company's MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com).*

*Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this news release are as of the date of this news release and the Company assumes no obligation to update or revise*

*this forward-looking information and statements except as required by law.*

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