

## VANADIUMCORP RESOURCE INC.

### Management Discussion and Analysis for the nine months ended July 31, 2017

**The following management discussion and analysis has been prepared as of September 29, 2017. The selected financial information set out below and certain comments which follow are based on and derived from the annual consolidated financial statements of Vanadiumcorp Resource Inc. for the nine months ended July 31, 2017 and should be read in conjunction with them.**

The financial statements and the notes thereto are presented in accordance with International Financial Reporting Standards (“IFRS”). The statements, together with the following management discussion and analysis, are intended to provide investors with a reasonable basis for assessing the status and financial performance of the Company. All dollar amounts are in Canadian dollars.

### BACKGROUND

VanadiumCorp Resource Inc. (“**VanadiumCorp**” or the “**Company**”) was incorporated under the *Corporations Act* (British Columbia) as Homestead Resources Inc. on October 23, 1980. The Company changed its name to International Homestead Resources Inc. on May 13, 1993, to Novawest Resources Inc. on September 11, 1996, to Apella Resources Inc. on April 2, 2008, to PacificOre Mining Corp. on May 27, 2012 and to VanadiumCorp Resource Inc. on November 21, 2013. VanadiumCorp has six wholly owned subsidiaries – Pro-Minerals Ltd., incorporated under the laws of Yukon; and; Prosperity Minerals Corporation, Prestige Mining Corporation, Prestige Resources Inc., Power Vanadium Corporation and 0931042 B.C. Ltd., incorporated under the laws of British Columbia. VanadiumCorp is a mining exploration firm focused on two Canadian exploration and evaluation stage projects in Canada. The Company owns a number of Canadian mineral assets in Ontario and Quebec, Canada. During the last few years, VanadiumCorp has succeeded in building a substantial portfolio of strategically located mineral claims and assemblages in the Canadian provinces of Ontario and Quebec. The properties are prospective for Vanadium, Titanium, Iron, Copper, Gold and Nickel.

VanadiumCorp is a publicly traded junior resource company. It is classified as a Tier 1 company on the TSX Venture Exchange where its trading symbol is “VRB”. The Company’s trading symbol on the Frankfurt Stock Exchange is “NWN.F”.

The former Chief Executive Officer, P. O’Brien, who resigned in 2013, has filed a wrongful-dismissal suit against the Company. The Company intends to vigorously defend this action and believes the claim is without merit.

### OPERATIONS

In November 2016, the Company announced that it has joined Energy Storage Canada (ESC). The ESC is the only energy storage industry association in Canada. Members of ESC share the common mission to advance the energy storage industry in Canada through collaboration, education, policy advocacy and research. The ESC takes an unbiased view towards technology and is supported by the contributions of its active members.

In November 2016, the Company announced that the Canadian Government has officially introduced a new mandate for vanadium and energy storage, titled, “Defining Canada’s role in a growing vanadium market”. This mandate bodes well for the Company’s development of high purity vanadium and vanadium electrolyte (“VE”).

In December 2016, the Company completed an agreement with Encitech Ltd. for first right of refusal for patented Waste Ash to Vanadium Electrolyte (“WAVE”) technology and additional first right of refusal for exclusive supply of vanadium-bearing fly ash from the Alberta oil sands. The WAVE process recovers high purity vanadium from oil sands to help Canada meet energy storage

and renewable energy mandate. First phase testing has now commenced and is funded in part by the Canada government.

In December 2016, the Company announced it has commissioned the preparation and process of testing of massive magnetite from its 100% owned Lac Dore Vanadium Project. The processing consideration tested will target production of VE, iron, and titanium. Testing results are anticipated in Q2 2017. The VE produced will be used to demonstrate the quality of VE for vanadium battery partners and additional testing. Economics of the considered VE process technology will be included in the Company's PEA in Q1 2017.

In January 2017, the Company announced it has signed a memorandum of understanding ("MOU") with leading UK technology company C-Tech Innovation Limited ("C-Tech") to collaborate on the development of a vanadium electrolyte VE plant in Canada. Direct VE capacity is the main consideration of the Company's PEA. C-Tech will assist in recovery optimization and beneficiation of the Company's electrolyte directly from magnetite concentrate.

The MOU will allow the companies to collaborate on a number of key strategic initiatives including:

- The development of vanadium electrolyte production and other specialty high purity vanadium materials using C-Tech's highly efficient electrochemical processing technology from the Company's mineral claims located in the mining center of Chibougamau, Quebec.
- The development and commercialization of efficient and environmentally friendly mineral extraction and processing technologies to enable the direct production of vanadium electrolyte from unrefined raw materials, including the simultaneous removal of contaminant metals.
- Pursue reasonable efforts to enter into a definitive agreement within 12 months from the effective date of signing for the MOU.

In February 2017, the Company announced it has signed a non-binding memorandum of understanding ("MOU") with Quebec-based industrial company, Electrochem Technologies & Materials Inc. ("Electrochem") to collaborate on metallurgical and electrochemical technologies to produce VE directly from Vanadiferous Titaniferous Magnetite ("VTM") concentrate.

The MOU will allow the companies to collaborate on a number of key strategic initiatives:

- The development for the production of vanadium-rich pregnant leach solution ("PLS") (VE precursor) and other specialty high purity vanadium materials.
- The development and commercialization of efficient and environmentally friendly metallurgical and electrochemical processing technologies including the simultaneous removal of contaminant metals and the concurrent regeneration of chemicals.
- Pursue reasonable efforts to enter into a definitive agreement within 12 months from the effective date of signing for the non-binding MOU.

In February 2017, the Company announced it has applied jointly with Electrochem for a US provisional patent application (US 62/463,411) for a combined metallurgical and chemical process. Successful test work commenced by Dr. Francois Cardarelli at Electrochem's facilities in Boucherville, Quebec yielded high recoveries of both iron and vanadium values from a vanadiferous titanomagnetite concentrate that was extracted, prepared and beneficiated by IOS Services Geoscientifiques Inc., directly from the Company's 100% owned Lac Dore Vanadium Project in Chibougamau, Quebec.

In April 2017, the Company announced successful completion of Phase I development of Vanadiumcorp-Electrochem Process Technology following several months of extensive test work conducted at Electrochem's facilities. This represents a major milestone in advancing toward pilot testing, scheduled to begin after Phase II. Phase I established critical success and optimization through direct recovery performed by hydrometallurgical and chemical processing of vanadiferous titanomagnetite concentrate. This confirmed efficient recovery of vanadium and iron values using the jointly owned equipment.

In May 2017, the Company announced Phase II of the Vanadiumcorp-Electrochem Process Technology had commenced direct processing of pure vanadium chemicals by Electrochem. Vanadiumcorp-Electrochem Process Technology Phase II will highlight multi-commodity sample production at a nameplate capacity of 300kg per month scalable to 1 tonne per month at the end of the campaign by installing additional units. The larger scale will incorporate Electrochem's globally patented technology for electrowinning to produce high purity vanadium chemicals and electrolytic iron with the purpose to produce enough chemicals for qualification by potential end users. Phase II testing will utilize equipment similar to those used industrially to demonstrate production capability and process scalability.

In June 2017, the Company announced the first reactor installation was complete, in operation and successful and consistent recovery of high purity iron. Based on the continued success within Phase II, the Company is confident about the disruptive integrated approach having a profound impact for processing vanadium and iron feedstocks in Canada and abroad with an exclusive, environmentally friendly technology.

### Exploration Activity

Mineral exploration is highly speculative in nature and involves many risks. The projects in which the Company holds interests are without proven economic bodies of ore. Each work program undertaken by the Company is an exploratory search for economic bodies of ore. Development of the projects will only follow upon obtaining satisfactory exploration results.

In April 2015, the Company announced that IOS Geoscientifique Inc. and Geopointcom Inc. have completed the NI 43-101 technical report (the "Report") disclosing the first resource estimate for the Lac Dore Vanadium Project. A complete copy of the Report can be found at [www.sedar.com](http://www.sedar.com). The Lac Dore Vanadium Project is comprised of 100% owned mining claims spanning 45 km<sup>2</sup> located 30 km southeast of the mining town of Chibougamau, in central Quebec, Canada.

Calculation indicates the presence of an inferred resources at 99,104,000 tons grading 0.43% V20s. This resource represents 26,067,000 tons of magnetite concentrate grading 1.08% of recoverable V205, for a mine life of 36.8 years. The estimations based on assay results from the magnetite concentrate by Davis tube testing, rather than the more conventional headgrade assays. A recovery factor of 95% was used for the hydrometallurgical process, according to historical testing, but no recovery was factored in for magnetite concentration since calculation is made directly from concentrates. An overall 66.6% recovery on headgrade was calculated back. In completing the Report, adjustment of the pit was made to increase pit optimization and accuracy. This was achieved by resolving uncertainty with a claim boundary to increase confidence in the resource estimate. The result was a small decrease in overall tonnage and an increase in grade from the initial resource statement.

Influence of market price on resource estimates:

<b>Resource Sensitivity to Market Price</b>			
Market Price V20s (\$USD/pound)	\$4.00	\$5.50	\$7.00
Mineralization (Metric Ton)	68,798,000	99,104,000	111,209,000
Waste (Metric Ton)	103,808,000	165,690,000	205,388,000
Magnetite Concentrate (Metric Ton)	19,633,000	26,067,000	29,844,000
Strip Ratio: Waste / Magnetite	1.51	1.67	1.85
Recoverable V20s Tonnage (Metric Ton)	226,090	282,370	303,660
Grade of the Magnetite Concentrate (%V20s)	1.15%	1.08%	1.05%
Eq. Grade of the resource (66.6% net recovery)	0.49%	0.43%	0.41%

The parameters used for the resource estimation of the East Deposit included usage of ordinary Kriging method with omnidirectional variograms. A pit depth of 200 m with a 50° slope, a cut-off magnetite abundance of 15% with mining costs set at \$1.80/ metric ton, magnetite concentration cost at \$2.50/ metric tonne and roasting cost set at \$40/ metric ton of magnetite based on industry

standards. A market value of \$5.50USD per pound of V20s was chosen representing the stable average pricing for the last ten years. Mining rates were constrained by the capacity of a conventional rotary kiln 5 metres in diameter, which represent the current maximum technically achievable.

The report describes in detail the market potential for Vanadium strengthened steel and vanadium batteries in North America, the need for adequate domestic supply and the potential for the Lac Dore project to fulfill the growing need are clearly indicated. The Report states, "The increasing dependency of supply of vanadium demand in USA and Canada from unstable or government oriented jurisdictions like Venezuela, South Africa, Russia and China is of great concern. No strategic stockpile is available anymore in United States: "Vanadium has long been considered as a strategic metal by the American government. North American vanadium consumption out paces production by 10,000 tons annually." By comparison, the Lac Dore project would produce about 7,700 tons annually.

The report also offers a review of the extensive historic metallurgical testing, with a description of the various recovery process.

The resource classification definitions used for this report are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document "CIM Definition Standards for Mineral Resources and Reserves" dated of November 27, 2010. Procedures and classification used are outlined in the Report by Mr. D'Amours and Mr. Girard that is now filed on [www.sedar.com](http://www.sedar.com) and available at [www.vanadiumcorp.com](http://www.vanadiumcorp.com). Resources were classified as "inferred" based on the fact they were calculated from historic drill holes only with their intrinsic uncertainties.

In February 2016, the Company announced vanadium electrolyte "VE" technology will be integrated into the Lac Dore preliminary economic assessment "PEA" in combination with conventional vanadium production methods.

After ample discussion with various vanadium batter developers, the Company is encouraged to target primary VE, vanadium chemicals and the V205 market to maximize competitive advantage. Unlike current production methods, primary VE technology will eliminate costly conversions of metallurgical grade pentoxide to VE as currently used by existing VE producers. Being a North American supplier would reduce costs and reduce political risk compared to the supply from other countries. Strong demand for premium vanadium products in the domestic market as well as growth and forecasts for VRB technology for grid storage, peak shaving and mobile applications will all be highlighted in the market study chapter off the Lac Dore Vanadium Project PEA. A similar market study by the Canadian government is also commencing this year.

On June 27, 2017, the Company entered into a Mineral Property Option Agreement with ALIX Resources Corp. ("Alix") for Alix to joint venture up to a 60% interest in the Iron-T Vanadium Project (the "Property").

As consideration for the grant of the option and pursuant to the terms of the Option Agreement, Alix will pay the Company an aggregate stock consideration of 5,000,000 common shares and incur an aggregate of \$2,000,000 of staged expenditures to earn a 60% interest in the Property, as follows:

<b>Date</b>	<b>Aggregate Stock Consideration</b>	<b>Aggregate Work Obligation</b>
On execution of Option Agreement and regulatory approval ("Closing Date")	200,000 common shares (issued subsequent to July 31, 2017)	Nil
On or before June 30, 2018	Nil	\$100,000
On or before 12 months from Closing Date	600,000 common shares	Nil
On or before June 30, 2019	Nil	\$400,000

<b>Date</b>	<b>Aggregate Stock Consideration</b>	<b>Aggregate Work Obligation</b>
On or before 24 months from Closing Date	1,200,000 common shares	Nil
On or before June 30, 2020	Nil	\$1,000,000
On or before 36 months from Closing Date	3,000,000 common shares	Nil
On or before June 30, 2021	Nil	\$2,000,000

During the year ended October 31, 2016, the Company wrote off costs of \$288,865 associated with its Chibougamau Copper/Gold Assemblage and costs of \$35,461 associated with its Kickoff and Icon properties. The Company is moving away from copper/gold projects in order to concentrate on its vanadium interests. However, the Company continues to hold these properties.

### **Mineral Interests**

The following is a summary by province of the Company's mineral interests, which includes acquisition and exploration costs, impairment and tax credits (government assistance) during the period (see notes below):

	<b>October 31, 2016</b>	<b>Acquisition and exploration during the period*</b>	<b>July 31, 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Quebec</b>			
Iron-T	1,914,087	–	1,914,087
Lac Dore	1,225,732	81,245	1,306,977
Total – mineral Interests	<u>3,139,819</u>	<u>81,245</u>	<u>3,221,064</u>

\*net of government tax credits and impairment

### **FINANCIAL**

The Company's interim consolidated financial statements are presented on a going-concern basis and assume that the Company will continue to realize on its assets and discharge its liabilities in the normal course of operations. The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral projects currently have identified reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

Future revenue could be generated by the sale or optioning of prospective projects to other junior resource companies or to major mining corporations or alternatively, by the internal development of one or more of the projects, should this prove feasible. In the meantime, the Company intends to continue to rely upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis or on terms acceptable to the Company.

Although the interim consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation could have a material adverse effect on the Company's ability to operate and thus on the Company's financial position.

The reader is also directed to Note 12 of the Company's July 31, 2017 interim consolidated financial statements regarding risk management.

## Results of Operations for the Nine Months Ended July 31, 2017

### STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents increased by \$164,038 during the nine months ended July 31, 2017. Receivables decreased by \$19,384, primarily due to input tax credits refunded during the period as well as amounts receivable from related parties. Prepaid expenses increased by \$99.

Accounts payable and accrued liabilities decreased by \$6,506.

### STATEMENT OF COMPREHENSIVE LOSS

During the nine months ended July 31, 2017, the Company recorded a comprehensive loss of \$433,200 (\$0.00 per share) compared to a comprehensive loss of \$369,902 (\$0.00 per share) for the nine months ended July 31, 2016.

Administrative expenses were \$430,295 for the nine months ended July 31, 2017, compared to \$369,902 for the nine months ended July 31, 2016.

An explanation of the changes in the significant administrative expenses is as follows:

- a) Consulting expenditures of \$43,752 (2016 - \$Nil) – The increase was due to administrative consulting services.
- b) Office expenditures of \$40,291 (2016 - \$28,980) – The increase was mainly due to the increased administrative presence at the Company's Vancouver offices.
- c) Professional fees of \$57,300 (2016 - \$52,001) – The increase was mainly due an increase in legal fees incurred related to general corporate purposes.
- d) Salaries and wages of \$113,625 (2016 - \$129,705) – The decrease was mainly due to fewer administrative individuals on the Company payroll.
- e) Transfer agent and regulatory fees of \$13,571 (2016 - \$17,167) – The decrease was mainly due to lower regulatory fees.
- f) Other items totaling a loss of \$995 (2016 – \$Nil).
  - i) Loss a result of loss realized on the disposition of available-for-sale investments.

### Summary of Quarterly Results

The following is a summary of the Company's financial results under IFRS for the eight most recent quarters:

	July 31, 2017 \$	April 30, 2017 \$	January 31, 2017 \$	October 31, 2016 \$	July 31, 2016 \$	April 30, 2016 \$	January 31, 2016 \$	October 31, 2015 \$
Total Revenue	–	–	–	–	–	–	–	–
Net loss for period	(124,343)	(193,527)	(113,420)	(486,619)	(120,668)	(112,748)	(136,486)	(124,480)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The increase in loss during the quarter ended April 30, 2017, compared to the previous quarter, is mainly attributed to an increase in administrative activity during the period.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2017, the Company had cash and cash equivalents of \$312,601 (October 31, 2016 - \$148,563). The Company had current assets of \$438,858 (October 31, 2016 - \$298,025) and current liabilities of \$200,604 (October 31, 2016 - \$207,110) with working capital of \$238,254 (October 31, 2016 – \$90,915).

The Company has limited capital resources and has to rely upon the sale of securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it must continue to rely upon the sales of its securities to raise capital. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or, if available, that it can be obtained on terms satisfactory to the Company.

The Company intends to undertake further private placements for additional working capital and exploration capital, as required.

## RELATED PARTY TRANSACTIONS

Transactions with related parties were at the amounts agreed to by the related parties. Related party transactions not otherwise disclosed in these consolidated financial statements were as follows:

- a) During the nine months ended July 31, 2017, the Company paid a salary of \$90,000 (2016 - \$90,000) to the President of the Company.
- b) During the nine months ended July 31, 2017, the Company incurred management fees of \$45,000 (2016 - \$45,000) to the Chief Financial Officer of the Company.
- c) Included in receivables at July 31, 2017 is \$16,359 (October 31, 2016 - \$11,173) owed from directors and officers.
- d) Included in trade payables and accrued liabilities at July 31, 2017 is \$44,645 (October 31, 2016 – \$34,000) owing to directors and officers.
- e) Included in share subscriptions receivable is \$5,500 (October 31, 2016 - \$5,500) owed from a director and officer.
- f) During the nine months ended July 31, 2017, the Company incurred directors fees of \$18,000 (2016 - \$18,000).

In the normal course of business, the Company advances and/or reimburses directors and officers for expenses incurred on the Company's behalf. Amounts due to and from related parties are non-interest bearing, unsecured and due on demand.

## SHARES, WARRANTS AND OPTIONS OUTSTANDING

### Share Capital

Authorized: unlimited common shares without par value

Issued and Outstanding:	<b>Number of Shares</b>	<b>Amount \$</b>
Balance, October 31, 2016	206,670,195	28,184,197
Shares and warrants issued for cash	13,418,699	421,476
Share issuance costs	–	(4,776)
Exercise of warrants	420,000	47,186
Warrant modification	–	(87,629)
Balance, July 31, 2017	<u>220,508,894</u>	<u>28,560,454</u>

Subsequent to July 31, 2017, 2,409,904 share purchase warrants were exercised for gross proceeds of \$240,990. As at the date of this MD&A, there were 222,918,798 shares outstanding.

## Warrants Outstanding

The following table summarizes stock purchase warrant transactions:

	Number of Warrants	Weighted Average Exercise Price \$	Weighted Average Remaining Life In Years
Balance, October 31, 2015	72,232,399	0.12	1.35
Issued	6,730,000	0.05	2.04
Expired	(10,109,250)	0.26	
Balance, October 31, 2016	68,853,149	0.09	0.76
Issued	13,418,699	0.10	1.78
Exercised	(420,000)	0.09	
Expired	(7,618,635)	0.15	
<b>Balance, July 31, 2017</b>	<b>74,233,213</b>	<b>0.09</b>	<b>1.10</b>

On January 25, 2017, the Company received TSX-V approval to amend the terms of 1,957,143 warrants, which were originally issued on February 7, 2013 with an exercise price of \$0.14. The amendment extended the expiry date of the warrants to February 7, 2018 and repriced the warrants to \$0.07 per common share. The fair value of the warrant modification was estimated at \$87,629 using the Black-Scholes option pricing model and the following weighted average market assumptions inputs: expected life 1 years; volatility 179%; dividend rate 0%, and risk-free rate 0.76%.

At the date of this MD&A there were 71,823,309 warrants outstanding.

## Stock Options Outstanding

The following table summarizes stock option transactions that occurred:

	Number of Options	Weighted Average Exercise Price \$
Outstanding, October 31, 2015 and 2016	15,980,000	0.10
Cancelled	(300,000)	0.10
<b>Outstanding, July 31, 2017</b>	<b>15,680,000</b>	<b>0.10</b>
<b>Exercisable, July 31, 2017</b>	<b>15,680,000</b>	<b>0.10</b>

As at the date of this MD&A, there were 15,680,000 stock options outstanding;

## OTHER INFORMATION

### Risks and Uncertainties

The discovery, development and acquisition of mineral properties are in many respects unpredictable events. Future metal prices, capital equity markets, the success of exploration programs and other property transactions can have a significant impact on capital requirements.

The Company's principal activity is mineral project exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to environmental, metal prices, political and economic.

Although the Company has taken steps to verify the title to the mineral claims in which it has an interest, in accordance with industry standards for the current stage of exploration of the same,

these procedures do not guarantee the Company's title to these mineral claims. Mineral claim entitlement may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. The Company's properties have no reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The Company's various projects are in the exploration stages only and are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and not all projects which are explored are ultimately developed into producing mines. Exploration of such projects may not result in any discoveries of commercially economic bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization on any of its current projects, the Company could be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. In certain circumstances the Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of the mineral claims and mineral claims in which it has previously had an interest. The Company attempts to conduct its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to its current projects that may result in any kind material liability to the Company.

### **Additional Disclosure**

Pursuant to section 5.3 of National Instrument 51-102 "*Continuous Disclosure Obligations*", issuers who are listed on the Exchange who do not have significant revenue from operations are required to provide additional financial information in their management discussion and analysis. That information is as follows:

The Company is a venture issuer that has not had significant revenue from operations in either of the last two financial years. The Company has capitalized all expenditures relating to the exploration of its various projects. Details of deferred expenditures for each project are shown in the notes to the accompanying financial statements. (see "Mineral Interests") Disclosure concerning the Company's general and administrative expenses is provided in the Company's annual and quarterly consolidated financial statements and the notes therein.

### **Disclosure Controls and Procedures and Internal Control Over Financial Reporting**

Under Canadian securities laws, because the Corporation is a venture issuer, it is not required to certify the design nor provide an evaluation of its disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and therefore, has not completed such an evaluation. Accordingly, this MD&A does not contain a discussion relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, management of the Corporation is not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

Accordingly, inherent limitations on the ability of the Corporation's management to design and implement on a cost effective basis DC&P and ICFR for the Corporation may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

For the nine months ended July 31, 2017 and year ended October 31, 2016, there were no changes in policies or procedures for DC&P and ICFR as compared to the prior fiscal years.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained in the foregoing Management Discussion and Analysis, in the referenced financial statements and elsewhere, which are not historical, may be considered "forward-looking statements" and are prospective. These forward-looking statements sometimes include words to the effect that the Company or management believes or expects a stated condition or result. All estimates and all statements that describe the Company's objectives, goals, or future plans are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause such differences include, but are not limited to, the possibility that future exploration results will not be consistent with the Company's expectations, changes in world equity markets, political developments in Canada and other mining countries, changes in commodity prices, foreign currency fluctuations, changes to regulations affecting the Company's activities, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties involved in interpreting exploration results and the other risks involved in the mining industry. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

#### **FURTHER INFORMATION**

Further information can be obtained from VanadiumCorp's website at [www.vanadiumcorp.com](http://www.vanadiumcorp.com) or at [www.sedar.com](http://www.sedar.com).