

VANADIUMCORP RESOURCE INC.

Management Discussion and Analysis for the nine months ended July 31, 2018

The following management discussion and analysis has been prepared as of October 1, 2018. The selected financial information set out below and certain comments which follow are based on and derived from the interim consolidated financial statements of VanadiumCorp Resource Inc. for the nine months ended July 31, 2018 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 is a mining exploration firm focused on two Canadian exploration and evaluation stage projects in Canada and green process technology. The Company owns a number of Canadian mineral assets in Ontario and Quebec, Canada. During several years, VanadiumCorp has succeeded in building a substantial portfolio of strategically located mineral claims and assemblages in Quebec. The properties are prospective for Vanadium, Titanium, Iron, Copper, Gold and Nickel. In 2016 The Company partnered with Electrochem Materials & Technologies Inc. in Canada which resulted in Electrochem inventing a new method of production for vanadium, iron and titanium products from various feedstocks and waste. The Company owns 50% of VanadiumCorp-Electrochem Chemical Process Technology “VEPT” as it pertains to signed agreement and current patent applications including: US Provisional Patent Applications US 62/463,411 and US 62/582,060 and International Patent Application PCT CA2018/050196 entitled “METALLURGICAL AND CHEMICAL PROCESSES FOR RECOVERING VANADIUM AND IRON VALUES FROM VANADIFEROUS TITANOMAGNETITE AND VANADIFEROUS FEEDSTOCKS”.

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”.

OPERATIONS

In December 2017, the Company announced completion of Phase II production trials. Phase II yielded positive results that demonstrated the great potential for VanadiumCorp-Electrochem Technology. Phase II resulted in successful processing of a variety of global feedstocks ranging from magnetite, slags, and calcine that related industries cannot process efficiently or avoid the significant release of greenhouse gases.

Phase II results include:

- Efficient processing of a plethora of feedstocks with 95% average metal recovery
- Direct recovery of vanadium as vanadyl sulfate which is a precursor for the preparation of vanadium electrolyte (VE)
- Demonstration of the full potential of the VanadiumCorp-Electrochem chemical technology for primary production and monetization of waste materials
- Detailed mass and energy balances allowing the calculations of specific energy consumptions for the overall chemical and electrochemical integrated processes

- Titania and silica were recovered as value added byproducts with good marketable values
- Excellent reproducibility with similar yields and recoveries of vanadium, iron, titanium and silica products from magnetite from various geographical origins
Technical and cost-effective confirmation of Electrochem's patented technology (Canadian Patent 2,717,887 C) for electrowinning pure electrolytic iron from the ferrous sulfate heptahydrate (copperas) produced
- Confirmed industrial potential for the fully integrated CO² free iron making process for replacing the blast furnace in the iron and steel making industries in global jurisdictions having access to affordable electricity
- Trial production reactor and equipment are located at Electrochem facilities in Boucherville

The following products were recovered:

- Vanadyl sulfate targeting VanadiumCorp Electrolyte™
- Ferrous sulfate heptahydrate (Copperas) to be processed into pure electrolytic iron using Electrochem's patented iron electrowinning technology (Can. Pat. 2,717,887 C)
- Pure red ferric oxide as an alternate recovery option for plant locations facing high electricity cost
- Vanadium oxides and vanadium chemicals
- Titania-rich by-product
- Silica by-product

Phase III objectives for 2018 – Further Announcements Pending

- Piloting the technology at client locations using custom designed units mounted onto a skid
- Commercial plant in Canada or internationally
- Global licensing and deployment strategy for the two technologies
- Continued prototype and pilot testing and evaluation of the robustness of the technologies for the vanadium, steel, oil and energy storage industries

In January 2018, the Company announced it signed a partnership agreement further to the memorandum of understanding with Electrochem. This agreement formalizes the partnership and expands on successful collaboration that began in 2016 with invention and subsequent objective of commercial demonstration. The new chemical process represents a green and efficient alternative to current polluting and inefficient methods of processing utilized in the vanadium, steel, iron and energy storage industries.

Terms of the Partnership Agreement Include:

- 50/50 agreement on development and licensing of VanadiumCorp-Electrochem Chemical Process Technology “VEPT”
- Development partnership targeting North American demonstration, commercialization and scaled production plans relating to secured feedstock supply
- Development partnership targeting pilot plant demonstration, commercialization and scaled production applied to VanadiumCorp's 100% owned VTM Resources
- Buyout provision

In February 2018, the Company it jointly filed for an international patent application under the Patent Cooperation Treaty (PCT), in order to secure IP rights for the new VanadiumCorp-Electrochem technology worldwide. With the filing of the PCT Application, the VanadiumCorp-Electrochem Process Technology is now protected and once the PCT will be issued patent applications will be filed in selected countries and become patent pending in the chosen national jurisdictions.

In March 2018, the Company announced it signed a letter of intent (LOI) with Ultra Power Systems Limited (“Ultra”) of the United Kingdom to pursue joint interest of commercializing and deploying Vanadium Redox Flow Batteries (VRFB) for microgrid applications.

In September 2018, the Company announced the World Intellectual Property Organization (“WIPO”) has officially published the Patent Corporation Treaty of the International Patent Application WO 2018-152628 (A1) on August 30, 2018, entitled: “Metallurgical and Chemical

Process for Recovering Vanadium and Iron Values From Vanadiferous Titanomagnetite and Vanadiferous Feedstocks”.

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. The Lac Dore Vanadium Project is comprised of 100% owned mining claims spanning 45 km² 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% V₂O₅. This resource represents 26,067,000 tons of magnetite concentrate grading 1.08% of recoverable V₂O₅. 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 from the Report:

Resource Sensitivity to Market Price			
Market Price V ₂ O ₅ (\$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 V ₂ O ₅ Tonnage (Metric Ton)	226,090	282,370	303,660
Grade of the Magnetite Concentrate (%V ₂ O ₅)	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 V₂O₅ 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 Vanadium

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 and available at 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 vanadium electrolyte, vanadium chemicals and the V₂O₅ market to maximize competitive advantage. Unlike current production methods, primary vanadium electrolyte technology will eliminate costly conversions of metallurgical grade pentoxide to vanadium electrolyte 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 VRFB technology for grid storage, peak shaving and mobile applications are reflected in the current price of vanadium pentoxide which is approximately USD \$17 per pound and USD \$37,479/tonne respectively.

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):

	October 31, 2017 \$	Acquisition and exploration during the period* \$	July 31, 2018 \$
Quebec			
Iron-T	1,914,087	7,485	1,921,572
Lac Dore	1,346,195	87,270	1,433,465
Other projects	–	50,121	50,121
Total – mineral Interests	3,260,282	144,876	3,405,158

*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 licensing or commercializing VEPT or 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, 2018 interim consolidated financial statements regarding risk management.

Results of Operations for the Nine Months Ended July 31, 2018

STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents decreased by \$329,174 during the nine months ended July 31, 2018. Receivables increased by \$3,243, primarily due to input tax credits incurred during the period as well as amounts receivable from related parties. Prepaid expenses increased by \$31,063, primarily due to prepaid geological consulting fees and professional fee retainers.

Accounts payable and accrued liabilities increased by \$151,796.

STATEMENT OF COMPREHENSIVE LOSS

During the nine months ended July 31, 2018, the Company recorded a comprehensive loss of \$2,072,863 (\$0.01 per share) compared to a comprehensive loss of \$433,200 (\$0.00 per share) for the nine months ended July 31, 2017.

Administrative expenses were \$2,072,863 for the nine months ended July 31, 2018, compared to \$430,295 for the nine months ended July 31, 2017.

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

- a) Consulting fees of \$28,683 (2017 - \$43,752) – The decrease was mainly due to fewer consultants being engaged by the Company during the period.
- b) Directors fees of \$45,000 (2017 - \$18,000) – The increase was mainly due to increased directors fees to one director due to increased involvement with the Company.
- c) Investor relations expenditures of \$83,982 (2017 - \$20,632) – The increase was mainly due to the Company incurring costs to related to investor relations, shareholder communications, and business communications.
- d) Professional fees of \$33,642 (2017 - \$57,300) – The decrease was mainly due a decrease in legal fees incurred for general corporate purposes.
- e) Research and development expenditures of \$180,821 (2017 - \$Nil) – The increase was due to the Company expending funds related to an agreement to collaborate on metallurgical and electrochemical technologies.
- f) Share-based payment of \$1,364,290 (2017 - \$Nil) – The increase was due to 11,800,000 (2017 – Nil) incentive stock options being granted during the period.
- g) Trade shows of \$33,049 (2017 - \$9,632) – The increase was due to the Company exhibiting and attending at a larger number of trade shows during the current period.
- h) Travel and entertainment of \$53,084 (2017 - \$33,988) – The increase was due to an increase in executive travel for corporate purposes during the current period.
- i) Other items totaling a loss of \$Nil (2017 – \$995).

- 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, 2018 \$	April 30, 2018 \$	January 31, 2018 \$	October 31, 2017 \$	July 31, 2017 \$	April 30, 2017 \$	January 31, 2017 \$	October 31, 2016 \$
Total Revenue	–	–	–	–	–	–	–	–
Net loss for period	(241,214)	(1,625,549)	(206,100)	(318,993)	(124,343)	(193,527)	(113,420)	(486,619)
Loss per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2018, the Company had cash and cash equivalents of \$50,681 (October 31, 2017 - \$379,855). The Company had current assets of \$211,093 (October 31, 2017 - \$505,961) and current liabilities of \$375,017 (October 31, 2017 - \$223,221) with a working capital deficiency of \$163,924 (October 31, 2017 – working capital of \$282,740).

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:

- During the nine months ended July 31, 2018, the Company paid a salary of \$90,000 (2017 - \$90,000) to the President of the Company.
- During the nine months ended July 31, 2018, the Company incurred management fees of \$45,000 (2017 - \$45,000) to the Chief Financial Officer of the Company.
- Included in receivables at July 31, 2018 is \$14,599 (October 31, 2017 - \$10,783) owed from directors and officers.
- Included in trade payables and accrued liabilities at July 31, 2018 is \$84,645 (October 31, 2017 – \$56,000) owing to directors and officers.
- Included in share subscriptions receivable is as at July 31, 2018 is \$5,500 (October 31, 2017 - \$5,500) owed from a director and officer.
- During the nine months ended July 31, 2018, the Company incurred directors fees of \$45,000 (2017 - \$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

	Number of Shares	Amount \$
Issued and Outstanding:		
Balance, October 31, 2017	222,918,798	28,863,418
Exercise of warrants	6,107,878	519,779
Balance, July 31, 2018	229,026,676	29,383,197

As at the date of this MD&A, there were 229,026,676 shares outstanding.

Warrants Outstanding

The following table summarizes stock purchase warrant transactions:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, October 31, 2016	68,853,149	0.09
Issued	13,418,699	0.10
Exercised	(2,829,904)	0.10
Expired	(22,712,457)	0.10
Balance, October 31, 2017	56,729,487	0.09
Exercised	(6,107,878)	0.06
Expired	(2,159,578)	0.12
Balance, July 31, 2018	48,462,031	0.07

During the nine months ended July 31, 2018, 6,107,878 warrants were exercised for gross proceeds of \$372,018. As of the date of this MD&A there were 48,462,031 warrants outstanding.

Stock Options Outstanding

The following table summarizes stock option transactions that occurred:

	Number of Options	Weighted Average Exercise Price \$
Outstanding, October 31, 2016	15,980,000	0.10
Cancelled	(1,500,000)	0.10
Outstanding, October 31, 2017	14,480,000	0.10
Granted	11,800,000	0.12
Cancelled	(3,780,000)	0.10
Outstanding, July 31, 2018	22,500,000	0.11
Exercisable, July 31, 2018	22,500,000	0.11

Subsequent to July 31, 2018, 10,400,000 stock options expired unexercised. As at the date of this MD&A, there were 12,100,000 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, 2018 and the year ended October 31, 2017, 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 or at www.sedar.com.