



**VanadiumCorp Resource Inc.**

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For The Nine Months Ended July 31, 2024, and 2023

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, VanadiumCorp Resource Inc. discloses that the accompanying unaudited condensed interim consolidated financial statements for the nine months ended, July 31, 2024, and 2023, were prepared by and are the responsibility of the Company's management.

The company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

**VanadiumCorp Resource Inc.**  
**Consolidated Statement of Financial Position**  
**(Expressed in Canadian Dollars)**

	(Unaudited)	(Audited)
	July 31, 2024	October 31, 2023
<b>Assets</b>		
<b>Current</b>		
Cash	34,990	513,682
Restricted cash	-	285,000
Receivables (Notes 4 and 12)	60,911	180,870
Prepaid and advances	86,616	164,725
	<b>182,517</b>	<b>1,144,277</b>
<b>Non-Current</b>		
Plant No. 1 (Note 5)	1,794,605	-
Plant No. 2 (Note 5)	64,000	-
Equipment (Note 7)	9,015	174,222
Deposits	-	557,644
Patent (Note 8)	325,500	336,000
Exploration and evaluation assets (Note 7)	7,091,258	6,602,423
<b>Total assets</b>	<b>9,466,895</b>	<b>8,814,566</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 9 and 12)	1,608,899	814,814
Loans payable (Notes 10 and 12)	167,141	154,461
	<b>1,776,040</b>	<b>969,275</b>
<b>Non-Current</b>		
Deferred government grant (Note 13)	-	88,000
Long-term portion of loans payable (Notes 10)	502,320	617,690
<b>Total liabilities</b>	<b>2,278,360</b>	<b>1,674,965</b>
<b>Equity</b>		
Share capital (Note 11)	39,873,500	38,421,560
Share subscriptions allotted	0	730,500
Warrants	350,400	241,900
Contributed surplus	13,302,259	13,201,640
Accumulated deficit	(46,337,625)	(45,455,999)
	<b>7,188,535</b>	<b>7,139,601</b>
<b>Total liabilities and equity</b>	<b>9,466,895</b>	<b>8,814,566</b>

Approved on behalf of the Board of Directors on August 28, 2024:

\_\_\_\_\_  
*"Pierre Alarie"*  
 Director

\_\_\_\_\_  
*"Stephen Pearce"*  
 Director

See accompanying notes to these consolidated financial statements

VanadiumCorp Resource Inc.  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**For the Three Months and Six Months Ended April 30, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

	Three months Ended		Nine months Ended	
	July 31,		July 31,	
	2024	2023	2024	2023
<b>Expenses:</b>				
Amortization - Patent	3,500	-	10,500	-
Consulting (Note 12)	29,500	154,454	140,250	456,901
Depreciation - Equipment (Note 6)	8,968	1,347	26,904	4,041
Interest and financing fees	29,586	2,117	74,731	10,569
Management fees (Note 13)	115,000	51,000	252,000	153,000
Marketing and corporate development	5,870	19,500	33,219	109,321
Office	41,114	34,493	101,153	81,810
Professional fees	28,313	28,038	63,264	78,444
Research and development	-	4,623	-	45,423
Salaries and wages (Notes 9 and 12)	-	34,746	-	33,142
Shareholder communications	4,234	750	6,120	3,509
Share-based compensation	20,603	178,572	81,070	178,572
Filing and regulatory fees	8,360	3,000	38,297	36,219
Travel and entertainment	1,840	16,109	53,996	29,658
Land claim payments	-	-	-	1,576
	<b>(296,889)</b>	<b>(528,749)</b>	<b>(881,504)</b>	<b>(1,222,185)</b>
<b>Other items:</b>				
Foreign exchange (loss) gain	(33)	(802)	(121)	1,150
Electrolyte start-up costs	-	(48,764)	-	(48,764)
Recovery on flow-through liability (Note 11)	-	38,070	-	73,159
<b>Net loss and comprehensive loss for the period</b>	<b>(296,922)</b>	<b>(540,245)</b>	<b>(881,626)</b>	<b>(1,196,640)</b>
<b>Basic and diluted loss per share</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>Weighted average number of shares outstanding</b>	<b>83,181,843</b>	<b>64,301,408</b>	<b>82,281,145</b>	<b>54,239,400</b>

See accompanying notes to these consolidated financial statements

**VanadiumCorp Resource Inc.**  
**Consolidated Statements of Changes in Equity**  
**For the Three Months and Nine Months Ended July 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

	Share Capital		Warrants	Contributed Surplus	Units Subscriptions	Deficit	Total
	Number of Shares	Amount					
<b>Balance - October 31, 2022</b>	44,118,443	36,502,576	19,900	12,971,183	-	(43,709,152)	5,784,507
Units issued for cash	21,957,900	2,205,790	-	-	-	-	2,205,790
Broker warrants issued	-	-	-	9,760	-	-	9,760
Flow-through share premium	-	(10,000)	-	-	-	-	(10,000)
Share issuance costs	-	(54,806)	-	-	-	-	(54,806)
Unit subscriptions received	-	-	-	-	-	-	-
Share-based compensation	-	-	-	178,572	-	-	178,572
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,196,640)	(1,196,640)
<b>Balance - July 31, 2023</b>	66,076,343	38,643,560	19,900	13,159,515	-	(44,905,792)	6,917,183
Units issued for cash	-	-	-	-	-	-	-
Residual value of warrants in units issued	-	(222,000)	222,000	-	-	-	-
Broker warrants issued	-	(9,760)	-	-	-	-	(9,760)
Flow-through share premium	-	-	-	-	-	-	-
Share issuance costs	-	9,760	-	-	-	-	9,760
Unit subscriptions received	-	-	-	-	730,500	-	730,500
Share-based compensation	-	-	-	42,125	-	-	42,125
Net loss and comprehensive loss for the period	-	-	-	-	-	(550,207)	(550,207)
<b>Balance - October 31, 2023</b>	66,076,343	38,421,560	241,900	13,201,640	730,500	(45,455,999)	7,139,601
Units issued for cash	17,105,500	1,584,900	-	-	(730,500)	-	854,400
Residual value of warrants in units issued	-	(108,500)	108,500	-	-	-	-
Broker warrants issued	-	-	-	19,549	-	-	19,549
Flow-through share premium	-	-	-	-	-	-	-
Share issuance costs	-	(24,460)	-	-	-	-	(24,460)
Unit subscriptions received	-	-	-	-	-	-	-
Share-based compensation	-	-	-	81,070	-	-	81,070
Net loss and comprehensive loss for the period	-	-	-	-	-	(881,626)	(881,626)
<b>Balance - July 31, 2024</b>	<b>83,181,843</b>	<b>39,873,500</b>	<b>350,400</b>	<b>13,302,259</b>	<b>-</b>	<b>(46,337,625)</b>	<b>7,188,535</b>

See accompanying notes to these consolidated financial statements

VanadiumCorp Resource Inc.  
**Consolidated Statements of Cash Flows**  
**For the Nine Months Ended July 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>Nine Months Ended</b>	
	<b>July 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities:</b>		
<b>Net loss and comprehensive loss for the period</b>	<b>(881,626)</b>	<b>(1,196,640)</b>
Adjustments for items not affecting cash:		
Amortization	<b>10,500</b>	-
Depreciation	<b>26,904</b>	4,041
Prepaid amortized	-	53,921
Recovery on flow-through liability	-	(73,159)
Share-based compensation	<b>100,619</b>	178,572
<b>Net change in non-cash working capital items:</b>	<b>(743,602)</b>	<b>(1,033,265)</b>
Receivables	<b>(56,370)</b>	41,071
Prepaid and deposits	<b>78,109</b>	(601,339)
Accounts payable and accrued liabilities	<b>793,130</b>	(537,035)
<b>Cash used in operating activities</b>	<b>71,266</b>	<b>(2,130,568)</b>
<b>Investing activities</b>		
Purchase of equipment	-	-
Deposits	<b>557,644</b>	-
Plant No. 1	<b>(1,890,410)</b>	-
Plant No. 2	<b>(64,000)</b>	-
Exploration and evaluation asset expenditures	<b>(487,880)</b>	(433,097)
<b>Cash used in investing activities</b>	<b>(1,884,646)</b>	<b>(433,097)</b>
<b>Financing activities</b>		
Units issued, net of issuance costs	<b>829,940</b>	2,160,744
Shares subscribed	-	-
Government grant received (PRIMA)	<b>322,438</b>	-
Loans repaid	<b>(102,690)</b>	(118,106)
<b>Cash from financing activities</b>	<b>1,049,688</b>	<b>2,042,638</b>
<b>Change in cash during the period</b>	<b>(763,692)</b>	<b>(521,027)</b>
<b>Cash - beginning of period</b>	<b>798,682</b>	<b>614,007</b>
<b>Cash - end of period</b>	<b>34,990</b>	<b>92,980</b>
<b>Non-cash investing activity:</b>		
Exploration and evaluation expenditures included in payables	<b>7,800</b>	6,845
Fair value of broker warrants	-	-
Residual value of warrants	-	-

See accompanying notes to these consolidated financial statements

## **VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

### **1. NATURE OF OPERATIONS AND GOING CONCERN**

VanadiumCorp Resource Inc. (the “Company”) was incorporated on October 23, 1980 under the British Columbia Business Corporations Act and is engaged in the production and sale of high-purity vanadium electrolyte and in the acquisition and exploration of mineral properties in Canada.

The Company’s registered office is Suite 1201 – 1166 Alberni St., Vancouver, British Columbia V6E 3Z3.

The Company’s is in the process of completing a pilot plant, called Plant No. 1, that will produce vanadium electrolyte for samples purposes and for commercial sale. Its mineral property interests have not reached the development stage or commercial production. To continue the process of the production and sale of vanadium electrolyte, the mineral exploration programs and maintain its mineral property interests and develop future projects beyond the exploration stage, the Company will need additional funding.

These consolidated financial statements have been prepared on the assumption that the Company is a going concern that contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has incurred a net loss of \$881,626 during the nine-month period ended July 31, 2024 (2023 - \$1,196,640) and, as of that date, has accumulated a deficit of \$46,337,625 (October 31, 2023 - \$45,455,999). The Company has a working capital deficit of \$1,593,524 at July 31, 2024 (October 31, 2023 – surplus of \$175,001). The ability of the Company to continue as a going concern is dependent on obtaining the financing necessary to continue operations and, ultimately, on attaining profitable operations. Funding for operations is raised primarily through share offerings. No provision has been made in these consolidated financial statements for any adjustments to the carrying value of exploration and evaluation and other assets should the Company not be able to continue as a going concern. Such adjustments could be material.

Although there is no certainty, management is of the opinion that additional funding for future projects and operations can be raised as needed. If the Company is unsuccessful in obtaining adequate financing in the future due to prolonged economic decline, exploration activities will be postponed until market conditions improve. The Company’s continuation as a going concern is dependent upon the successful implementation of its strategy to produce and sell high-purity vanadium electrolyte to manufacturers and end-users of vanadium flow batteries and the exercise of its mineral property option agreement, its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These material uncertainties, circumstances and conditions may cast significant doubt about the Company’s ability to continue as a going concern. There are many external factors that can adversely affect general workforces, economies and financial markets globally. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company’s business or ability to raise capital.

### **2. BASIS OF PRESENTATION**

#### **a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors on August 28, 2024.

#### **b) Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Pro Minerals Ltd., Power Vanadium Corporation, Prosperity Minerals

## VanadiumCorp Resource Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

Corporation, and Prestige Mining Corporation, all Canadian companies, and VanadiumCorp GmbH ("GmbH"), a German company. A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All subsidiaries are 100% controlled by the Company. Intercompany transactions and balances have been eliminated upon consolidation.

GmbH is the only active subsidiary and is engaged in the promotion and sale of vanadium electrolyte produced by the Company. During the nine months ended July 31, 2024 and 2023, GmbH incurred \$Nil sales and GmbH's operating and administration expenses totaled \$1,785 (2023 – \$43,555) and are consolidated with the Company's expenses.

c) Basis of measurement, estimates, and significant judgments

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Elements of these consolidated financial statements subject to material estimation uncertainty include:

Valuation of stock options and warrants

In the preparation of these consolidated financial statements, management has estimated the fair value of stock options granted and warrants issued in private placements based on the Black-Scholes option-pricing model. Option pricing models require the input of highly subjective assumptions including the expected price and volatility of the Company's stock. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options granted and warrants issued during the year.

Elements of these consolidated financial statements subject to significant judgment include:

Significant judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) *Going concern assessment:*

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

c) Basis of measurement, estimates, and significant judgments (continued)

ii) *Consideration of exploration and evaluation asset impairment criteria:*

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

## VanadiumCorp Resource Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessments/studies, accessible facilities, existing permits, and the ability to continue exploration.

*iii) Impairment of patent:*

The Company reviews and assesses the carrying amount of its patent for indicators of impairment when facts or circumstances suggest that the carrying amount is not recoverable. If impairment is indicated, the amount by which the carrying value of the assets exceeds the estimated fair value is charged to profit or loss.

*iv) Recovery of amounts receivable:*

The accounts receivable balance is recorded at the estimated recoverable amount, which involves the estimate of uncollectible accounts.

*v) Outcome of legal claim:*

Management uses significant judgment to assess the outcome of the legal claim against the Company and estimate any contingent loss arising from the legal action.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Cash

Cash consists of cash held in bank accounts. For the purposes of the consolidated statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company had no cash equivalents as at July 31, 2024 and 2023.

b) Foreign currency translation

Transactions in foreign currencies are translated to the presentation currency of the Company at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the presentation currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

c) Financial instruments

*Classification*

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

The Company classifies its financial instruments as follows:

<b>Financial assets/ liabilities</b>	
Cash	FVTPL
Receivables	Amortized cost
Short-term investments	FVTPL
Accounts payables and accrued liabilities	Amortized cost
Lease liability	Amortized cost
Loans payable	Amortized cost

*Measurement*Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*Derecognition*Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on the derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

## VanadiumCorp Resource Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

### Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### Fair value of financial instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

### c) Impairment of assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Impairment tests on intangible assets and patents with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Facts and circumstances as defined in *IFRS 6, Exploration for and Evaluation of Mineral Resources*, are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation assets is considered to be a cash-generating unit.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in other comprehensive income (loss).

d) Exploration and evaluation assets

The Company is in the process of exploring mineral property interests in several locations in Quebec. Title to mineral property interests may include options, leases, concessions, participating interests and direct title.

(i) Pre-exploration costs

Pre-exploration costs are costs incurred prior to the Company obtaining the right to explore and are expensed in the period in which they are incurred.

(ii) Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as the material used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain.

When a project is deemed to be no longer viable to the Company, capitalized exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those expenditures, in excess of estimated recoveries, are written-off to profit or loss. When a project has been established as commercially viable and technically feasible, the exploration and evaluation assets attributable to the project are first tested for impairment and then transferred to property and equipment.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration and evaluation activities are applied as a reduction to capitalized costs.

(ii) Government assistance

The Company is eligible for a refundable tax credit on Canadian Exploration Expenditures, financed by treasury funds, other than flow-through shares financings, of up to 31%. This credit is recorded as a government grant against exploration and evaluation assets when there is reasonable assurance that the amounts claimed qualify and the amounts will be received.

e) Rehabilitation provisions

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is determined. The nature of the

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements

For the Nine Months Ended July 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability-specific risks and the change is recorded to profit or loss.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

At July 31, 2024 and 2023, management was not aware of any reportable asset retirement obligations.

**f) Equipment**

Equipment is initially recorded at historical cost less accumulated depreciation and impairment losses. Depreciation is provided at various rates designed to depreciate the assets over their estimated useful lives. The annual depreciation rates are as follows:

Computer equipment	30%	Declining balance method
Office furniture	20%	Declining balance method
Website development costs	30%	Declining balance method
Leasehold improvement costs		Straight-line basis over 5 years

Equipment used in exploration activities, where substantially all the economic life or value of the asset is expected to be derived from a specific project, are accounted for as dedicated equipment and included as a separate category within the costs allocated to the related exploration stage mineral property interest. Depreciation of these assets would be provided over the estimated life based on utilization and charged to exploration costs of the related project.

Residual values and economic useful lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditure is recognized as repairs and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the consolidated statement of comprehensive loss.

**g) Patent**

A patent consists of patent rights and applications. Patents with finite useful lives are measured at cost less accumulated amortization and impairment losses. Patents are amortized on a straight-line basis over the estimated useful life, being the life of the patent applications, which is twenty years from the date of application, once the patent has been granted.

**h) Research and development**

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred. To date, no development costs have been capitalized.

## VanadiumCorp Resource Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

i) Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

j) Share capital

(i) Unit offerings

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the unit pricing date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

(ii) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax-deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as interest expense until paid.

k) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in the contributed surplus until exercised. Upon exercise, shares are issued from the treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements

For the Nine Months Ended July 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

---

the repurchase date. Any such excess is recognized as an expense. On expiration of options, the previously recognized amount is left in contributed surplus.

The Company's stock option plan permits the Company to grant options to employees, consultants and directors when the number of shares that may be purchased under that option and all previously granted options does not exceed 10% of the issued and outstanding shares. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be five years.

l) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per share is computed by dividing net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. As the Company incurred a loss for the period ended July 31, 2024 and 2023, basic and diluted loss per share are the same.

m) Income taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

n) New accounting standards issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
 For the Nine Months Ended July 31, 2024 and 2023  
 (Unaudited - Expressed in Canadian Dollars)

**4. RECEIVABLES**

	July 31, 2024	October 31, 2023
Sales tax receivable	57,850	64,511
Accounts receivable - general	1,702	-
Amount due from a related party (Note 12)	1,359	1,359
Government grant receivable (Note 13)	-	115,000
	<b>60,911</b>	<b>180,870</b>

**5. PRODUCTION PLANTS**

	Plant No. 1	Plant No. 2	Total
<b>Balance, October 31, 2023</b>	-	-	-
Transfer from prior year deposits	557,644	-	557,644
Additions	1,559,399	64,000	1,623,399
Government tax credits	(322,438)	-	(322,438)
Total during the period	1,794,605	64,000	1,858,605
<b>Balance, July 31, 2024</b>	<b>1,794,605</b>	<b>64,000</b>	<b>1,858,605</b>

**Plant No. 1:** VanadiumCorp will enter midstream into the Vanadium Flow Battery (VFB) supply-chain with the production of vanadium electrolytes for Original Equipment Manufacturers (OEMs) of VFBs. The Company's pilot electrolyte manufacturing facility (Plant No. 1) is located in Val-des- Sources, Quebec.

Company engineers contracted C-Tech Innovation of Chester, United Kingdom, as the supplier of the core components of Plant No. 1 in March 2023. Several design modifications were made in collaboration between the supplier and the Company's engineers. The completed unit comprises integrated V2O5 feed hopper, digester tank, cells, tanks, pumps, flow meters, sensors and HMI/PLC, all mounted on a stainless-steel wheeled frame. The C-Tech components were completed and inspected in the U.K. by the Company in December 2023. The equipment arrived at the site in early February 2024. Plant No. 1 was commissioned in April 2024.

With the initial production and testing of Plant No. 1, VanadiumCorp could, if it chooses, scale to produce up to 300,000 litres of electrolytes annually, sufficient to store some 5.7 MWh of electrical energy in VFB installations. Output will be used to ship to early customers and to provide samples to manufacturers of VFBs.

**Plant No. 2:** During Fiscal 2023 and the first nine months of 2024, the Company also commenced design and engineering work on Plant No. 2, which is being scoped to have an electrolyte production capacity of 4,000,000 litres, upgradeable to 8,000,000 litres.

The construction of Plant No. 1 and the initial work on Plant No. 2 represent significant milestones for the Company as it begins to enter the commercial phase of its operations and sales to OEM customers.

**Grants from PRIMA:** The Company has received a government grant from PRIMA, the Québec government critical materials agency, which under the terms of the agreement signed in May 2023, makes available to the Company non-refundable funds against eligible capital expenditures made towards Plant No. 1. The total grant

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements

For the Nine Months Ended July 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

available to the Company is \$500,000. The government grant received during the nine months ended July 31, 2024 amounted to \$322,438 and has been applied against the capital costs incurred for Plant No. 1.

**6. EQUIPMENT**

	<b>Computer Equipment</b>	<b>Office Furniture</b>	<b>Field/Lab Equipment</b>	<b>Leasehold Improvement</b>	<b>Website Development</b>	<b>Total</b>
<b>Cost:</b>						
<b>At October 31, 2022</b>	40,912	6,371	-	3,377	18,933	69,593
Additions	-	-	-	-	-	-
<b>At July 31, 2023</b>	40,912	6,371	-	3,377	18,933	69,593
Additions	-	-	180,788	-	-	180,788
Disposal / write-off	-	-	-	(3,377)	-	(3,377)
<b>At October 31, 2023</b>	40,912	6,371	180,788	-	18,933	247,004
Additions	-	-	-	-	-	-
Transfer to Plant No. 1	-	-	(180,788)	-	-	(180,788)
<b>At July 31, 2024</b>	40,912	6,371	-	-	18,933	66,216
<b>Depreciation:</b>						
<b>At October 31, 2022</b>	32,661	4,826	-	2,279	12,503	52,269
Depreciation	1,857	231	507	-	1,446	4,041
<b>At July 31, 2023</b>	34,518	5,057	507	2,279	13,949	56,310
Depreciation	618	78	17,572	-	483	18,751
Disposal / write-off	-	-	-	(2,279)	-	(2,279)
<b>At October 31, 2023</b>	35,136	5,135	18,079	-	14,432	72,782
Depreciation	1,299	186	8,135	-	1,013	10,633
Transfer to Plant No. 1	-	-	(26,214)	-	-	(26,214)
<b>At July 31, 2024</b>	36,435	5,321	-	-	15,445	57,201
<b>Net book value:</b>						
At October 31, 2023	5,776	1,236	162,709	-	4,501	174,222
<b>At July 31, 2024</b>	<b>4,477</b>	<b>1,050</b>	-	-	<b>3,488</b>	<b>9,015</b>

Depreciation recorded during the three-month and nine-month periods ended July 31, 2024 amounted to \$8,968 and \$26,904, respectively (2023 - \$1,347 and \$4,041, respectively).

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

**7. EXPLORATION AND EVALUATION ASSETS**

A summary of changes in the Company's exploration and evaluation assets in Quebec is as follows:

	<b>Iron-T Property</b>	<b>Lac Dore Property</b>	<b>Total</b>
<b>Balance, October 31, 2022</b>	<b>2,059,015</b>	<b>3,946,906</b>	<b>6,005,921</b>
Consulting	37,096	61,524	98,620
Field work	245,491	252,391	497,882
Government tax credits	-	-	-
Total during the year	282,587	313,915	596,502
<b>Balance, October 31, 2023</b>	<b>2,341,602</b>	<b>4,260,821</b>	<b>6,602,423</b>
Claims/permits	-	650	650
Bulk sampling	-	-	-
Camp costs	-	-	-
Consulting	20,000	105,927	125,927
Engineering/reports	-	-	-
Equipment/other rentals	-	-	-
Field costs/exploration	-	273,995	273,995
Freight/transport	-	-	-
Geophysical & mapping	-	19,565	19,565
Supplies	-	-	-
Telecommunications	-	-	-
Travel & accommodation	-	68,697	68,697
Total during the period	20,000	468,835	488,835
<b>Balance, July 31, 2024</b>	<b>2,361,602</b>	<b>4,729,656</b>	<b>7,091,258</b>

The Company's mineral properties have either been ground staked, map staked or acquired through option agreements or purchase agreements.

## a) Iron-T Vanadium Project

The property initially covered approximately 8,515 Hectares ("Ha"), located in Isle Dieu, Lozeau, Comporte and Galinee Townships in the province of Quebec and was acquired through a purchase and sale agreement and through staking.

Pursuant to a purchase and sale agreement dated February 1, 2008, as amended February 24, 2009 and August 21, 2009, the Company acquired 100% interest in 17 mining claims situated in central Quebec west of the mining centre of Matagami, in exchange for \$250,000 (paid) and 90,000 common shares (issued). The Company has since staked more claims bringing the total to 86 claims for an aggregate area of 4,789 Ha.

The vendors will receive a 3% net smelter return ("NSR") royalty of which the Company may purchase at its discretion, 1½% of the net smelter return royalty for \$500,000. The Company also retains a first right of refusal on the balance of the net smelter return royalty.

## VanadiumCorp Resource Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

### b) Lac Doré Project

The Lac Doré Project comprises two claim blocks, referred to as Lac Doré Main and Lac Doré North. The Lac Doré Main claims cover an area of 648.82 Ha, and the Lac Doré North claims cover an area of 4,637.87 Ha, with a total property area of 5,286.69 Ha and were acquired through staking.

### c) Chibougamau Copper/Gold Assemblage

The property covered approximately 5,173 Ha in the Chibougamau region in the Province of Quebec acquired through staking, purchase or option agreements.

Pursuant to an agreement dated September 6, 2017, the Company has granted exclusive right and option to an arm's length third party, to acquire up to 100% undivided interest in the surface and mining rights and mining claims of the Chibougamau project.

The third-party has exercised the First and Second Option and now retains a 100% undivided interest in the property.

Once the third party has exercised the Second Option, they shall grant the Company a 2% net smelter returns royalty on the Chibougamau project, which shall be subject to the right by the third party to repurchase one-half of the royalty (1%) for \$1,000,000 and a right of first refusal on the royalty, regardless of whether the third-party has exercised its repurchase right.

## 8. PATENT

On November 10, 2020, the Company executed a patent purchase agreement ("PPA") with Electrochem Technologies and Materials Inc. ("Electrochem") to acquire all patent rights for the VanadiumCorp-Electrochem Processing Technology ("VEPT") including the entire intellectual property portfolio.

Electrochem has assigned its interest in the technology to the Company under the following terms:

1. Electrochem has received a cash payment of \$350,000 and will also be entitled to royalties on production equivalent to three percent (3%) for every plant using the VEPT worldwide. The Company will have the option to buy back each one-half percent (0.5%) for US \$1,000,000 up to the full three percent for US \$6,000,000.
2. Electrochem will remain the exclusive contractor/consultant for the continued development of VEPT subject to standard work agreements, budgets and approvals.
3. Electrochem will undertake test work for other companies wishing to utilize the VEPT process, provided the other companies understand that licensing will ultimately be required and negotiated on reasonable terms with the Company.

The Company is now 100% owner of VEPT Patent Rights and the entire Intellectual Property Portfolio including all patent applications in key jurisdictions related to the International Patent Cooperation Treaty Application entitled "Metallurgical and Chemical Process for Recovering Vanadium and Iron Values from Vanadiferous Titanomagnetite". (Application WO 2018/152628 (A1))

At July 31, 2024, three out of six patent rights were granted. The patent is effective for twenty years from the date of application. Amortization has been recognized during the current year over a twenty-five-year period. At July 31, 2024, no impairment was recorded for the patent, and amortization recorded for the nine months ended July 31, 2024 amounted to \$10,500 (2023 - \$Nil).

On February 29, 2024, patent rights in India were granted, bringing the total to four of six national phase patents granted. Patents are now issued in the USA, South Africa, Australia, and India. Patent is pending in Canada and the EU.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	July 31, 2024	October 31, 2023
Trade payables	965,359	348,595
Amounts due to related parties (Note 12)	498,451	386,077
Accrued liabilities	114,423	46,000
Payroll liabilities	-	2,975
Loans interest payable (Note 10)	30,166	31,167
	<b>1,608,399</b>	<b>814,814</b>

**10. LOANS PAYABLE**

During fiscal 2021, the Company entered into five (5) loan agreements totaling \$81,000 with arm's length third parties. The loans are non-secured and carry interest at 10% per annum payable on maturity dated July 31 to September 10 of 2023.

During fiscal 2021, three directors of the Company advanced loans totaling \$87,250. The loans are non-secured, carry interest at 10% per annum and are payable on demand.

During fiscal 2022, two directors of the Company that previously advanced loans in 2021 advanced further loans totaling \$303,856. These same two directors were repaid \$270,000 in 2022.

At October 31, 2022, \$121,106 in remaining loans from directors are non-secured and payable on demand. \$21,106 carry interest at 10% per annum and \$100,000 is interest free.

During fiscal 2023, the remaining \$118,106 of insider loans was repaid leaving \$3,000 owing to a former director of the Company. This amount is withheld by the Company against any future claims against the former director.

During fiscal 2023, of the \$81,000 loans advanced in 2021, \$68,500 in third party loans was repaid leaving \$12,500 owing to a remaining third party.

At July 31, 2024, total loan interest payable of \$30,166 (2023 - \$36,938) is included in accounts payable and accrued liabilities.

On September 15, 2023, management entered into a Financing Agreement with Key West Ford Finance ("Key West") in which the Company received \$775,000 ("Loan Amount") to facilitate the Company to complete the purchase of electrolyte equipment. Principal Amount to be repaid is \$800,000, consisting of the Loan Amount plus an origination fee of \$25,000.

Interest accrues on the Principal Amount at a rate of 9.9% per annum. Period of repayment of principal and interest is 54 months consisting of monthly payments of \$18,349 (plus applicable taxes). First payment was due upon signing of the Financing Agreement.

As security, the Company has pledged to Key West, certain specified electrolyte and related equipment that is owned by the Company.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements

For the Nine Months Ended July 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

The Company is entitled to repay the outstanding Principal Amount with any accrued interest at any time without fee or penalty.

At July 31, 2024, the secured loan amount outstanding is \$653,161 (2023 - \$Nil) and the interest accrued for the month of July 2024 is \$6,376 and is included in accounts payable and accrued liabilities (2023 - \$Nil).

	Related Party Loans	Other - Third Party Loans	Total Loans
<b>Balance - October 31, 2022</b>	133,606	68,500	202,106
Additions	-	-	-
Related party loans repayments	(118,106)	-	(118,106)
Third party loans repayments	-	(68,500)	(68,500)
<b>Balance - October 31, 2023</b>	15,500	-	15,500
Addition - Key West Ford	-	775,000	775,000
Repayments	-	(18,349)	(18,349)
<b>Balance - October 31, 2023</b>	15,500	756,651	772,151
Additions	-	-	-
Repayments	-	(102,690)	(102,690)
<b>Balance - July 31, 2024</b>	<b>15,500</b>	<b>653,961</b>	<b>669,461</b>
Long-term portion	-	502,320	502,320
Short-term portion	15,500	151,641	167,141
	<b>15,500</b>	<b>653,961</b>	<b>669,461</b>

**11. CAPITAL STOCK****a) Share Capital**

Authorized share capital consists of an unlimited number of common shares without par value.

**Issued:**

At July 31, 2024, there were 83,181,843 (2023: 66,076,343) shares issued and outstanding.

**Transactions during the period ended July 31, 2024:**

In November 2023, the Company closed a non-brokered private placement financing whereby it issued 8,675,000 flow-through units (the "FT Units") at \$0.10 and 4,557,500 non flow-through units (the "NFT Units") at \$0.08 for aggregate proceeds of \$1,232,100. Each FT Unit consists of one (1) flow-through common share of the Company and one (1) non-flow-through common share purchase warrant (the "FT Warrants"), with each FT Warrant exercisable to purchase one non-flow-through common share of the Company for \$0.14 for two (2) years from the date of issue. Each NFT Unit

## **VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

consists of one (1) common share of the Company and one (1) common share purchase warrant (the "Warrants"), with each Warrant exercisable to purchase one common share of the Company for \$0.12 for two (2) years from the date of issue. Cash finders' fees in the amount of \$84,600 were paid; and 70,000 broker warrants, exercisable at \$0.12 for two (2) years, and 660,000 broker warrants, exercisable at \$0.14 for 2 years, were issued.

In December 2023, the Company closed a non-brokered private placement financing whereby it issued 2,148,000 flow-through units (the "FT Units") at \$0.10 and 1,725,000 non flow-through units (the "NFT Units") at \$0.08 for aggregate proceeds of \$352,800. Each FT Unit consists of one (1) flow-through common share of the Company and one (1) non-flow-through common share purchase warrant (the "FT Warrants"), with each FT Warrant exercisable to purchase one non-flow-through common share of the Company for \$0.14 for two (2) years from the date of issue. Each NFT Unit consists of one (1) common share of the Company and one (1) common share purchase warrant (the "Warrants"), with each Warrant exercisable to purchase one (1) common share of the Company for \$0.12 for two (2) years from the date of issue. Cash finders' fees in the amount of \$11,840 were paid; and 48,000 broker warrants, exercisable at \$0.12 for two (2) years, and 120,000 broker warrants, exercisable at \$0.14 for two (2) years, were issued.

### ***Transactions during the year ended October 31, 2023:***

In May 2023, the Company issued 16,329,400 units ("Units") at a price of \$0.10 per Unit for gross proceeds of \$1,632,940, in which \$1,602,940 was received in cash and \$30,000 was for settlement of accounts payable.

- Each Unit consisted of one (1) common share of the Company and one (1) share purchase warrant exercisable to purchase an additional common share of the Company at \$0.18 for twenty-four (24) months from the date of issue.

Seven insiders of the Company subscribed for a total of \$387,940 or 3,879,400 Units.

A cash commission of \$24,400 was paid along with other share issuance costs of \$11,206 and 244,000 non-transferable broker warrants were issue on the same exercise terms as the Unit warrants.

The fair value of the 244,000 broker warrants was estimated at \$9,760 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.10, expected volatility - 94% (based on historical volatility), risk-free interest rate - 3.65%, exercise price of \$0.18 and an expected life of two (2) years.

The residual value of warrants in these Units amounted to \$166,000 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

In November 2022, the Company issued 500,000 flow-through units ("FT Units") at a price of \$0.12 per FT Unit for gross proceeds of \$60,000 and 5,128,500 non-flow-through units ("Units") at a price of \$0.10 per Unit for gross proceeds of \$512,850.

- Each FT Unit consisted of one (1) flow-through common share of the Company and one (1) non-flow through common share purchase warrant (the "NFT Warrant") with each NFT Warrant exercisable to purchase an additional non-flow-through common share of the Company at \$0.18 for twenty-four (24) months from the date of issue.

The 500,000 FT Units were subscribed by a director of the Company.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$10,000 and was recorded as a

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

share capital reduction with an equivalent amount as a flow-through share premium liability in the statement of financial position. As at October 31, 2023, based on exploration expenditures incurred, \$73,159 was recognized as a settlement of the flow-through premium leaving a \$Nil balance as a flow-through share premium liability.

The residual value of warrants in these FT Units amounted to \$5,000 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

- Each Unit consisted of one (1) common share of the Company and one (1) share purchase warrant with the same terms as the NFT Warrant.

A director and two companies controlled by two directors subscribed an aggregate of 2,250,000 Units for total proceeds of \$225,000.

The Company incurred share issuance costs of \$9,440 in connection with the financing.

The residual value of warrants in these Units amounted to \$51,000 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

**b) Stock Options**

The Company has a stock option plan whereby the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. Options vest at the date of grant, unless otherwise noted.

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days (or earlier as stipulated) of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil% in determining the expense recorded.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

The continuity of stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at October 31, 2022	3,600,000	0.90
Granted	4,775,000	0.14
Expired	(1,180,000)	1.20
Forfeited	(815,000)	0.66
Outstanding as at October 31, 2023	6,380,000	0.31
Granted	-	-
Forfeited	(2,320,000)	(0.33)
Outstanding as at July 31, 2024	4,060,000	0.30

During the year ended October 31, 2023, the following stock options were transacted:

- 1,180,000 stock options expired on their expiry date of February 26, 2023 and 815,000 stock options granted to former consultants of the Company were forfeited due to termination of service.
- On July 6, 2023, 3,400,000 stock options were granted to directors and officers of the Company, 325,000 stock options were granted to a former director and 1,050,000 stock options to certain consultants for the Company. Each option is exercisable to purchase a common share of the Company at a price of \$0.13 per share (used in assumptions below). These options expire on July 6, 2028. 50% of options granted (2,387,500) vest immediately and the remaining 50% (2,387,500) vest one year after grant on July 6, 2024.

The granting of these stock options resulted in the recognition of \$220,697 in share-based compensation using the Black-Scholes Option Pricing Model with the following assumptions:

	<b>October 31, 2023</b>
Expected life	5 years
Annualized volatility (based on historical volatility)	81.6%
Stock price	\$0.11
Risk-free interest rate	3.91%
Dividend yield	Nil

During the nine-month period ended July 31, 2024, the Company did not issue any stock options. The Company recognized share-based payments expense of \$20,603 and \$81,070, respectively, during the three-month and nine-month periods ended July 31, 2024 (2023 - \$178,572 and \$178,572, respectively).

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

Details of stock options outstanding and exercisable at April 30, 2024:

Number of Options		Exercise Price	Expiry Date	Remaining Life (Years)
Outstanding	Exercisable			
550,000	550,000	0.80	December 9, 2025	1.36
260,000	260,000	1.20	December 31, 2025	1.42
3,250,000	3,250,000	0.14	July 6, 2028	3.93
4,060,000	4,060,000	0.30		3.42

**c) Purchase Warrants**

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - October 31, 2022	14,546,933	0.03
Expired	(2,000,000)	1.25
Issued	22,201,900	0.18
Balance - October 31, 2023	34,748,833	0.18
Expired	-	-
Issued	18,003,500	0.13
<b>Balance - July 31, 2024</b>	<b>52,752,333</b>	<b>0.16</b>

Details of share purchase warrants outstanding at July 31, 2024:

Number of warrants	Exercise price	Expiry date	Remaining life (Years)
12,546,933	0.18	September 23, 2024	0.15
5,628,500	0.18	November 21, 2024	0.31
16,573,400	0.18	May 11, 2025	0.78
13,962,500	0.13	November 20, 2025	1.31
4,041,000	0.13	December 18, 2025	1.38
<b>52,752,333</b>	<b>0.16</b>		<b>0.76</b>

## VanadiumCorp Resource Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

### 12. 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 year ended October 31, 2023, the Company paid/accrued salaries of \$Nil (2022 - \$50,000). Salaries were previously paid to the former CEO and an officer of the Company. During fiscal 2023, the Company paid net payroll benefits of \$Nil (2022 - \$3,670).
- b) During the year ended October 31, 2023, the Company incurred management fees of \$9,000 (2022 - \$22,000) to the former CFO and current director of the Company. Management fees of \$198,740 (2022 - \$Nil) were incurred in aggregate to a company associated with the current CFO and companies controlled by the CEO and the Chairman of the Board. An additional \$276,226 (2022 - \$82,500) of paid or accrued exploration expenditures to companies controlled by the CEO was capitalized under exploration and evaluation assets (Note 7).
- c) During the year ended October 31, 2023, the Company incurred in aggregate consulting fees of \$274,000 (2022 - \$113,440) to two directors, a former director, the former CEO and a company associated with the current CFO and CEO of GmbH. An additional \$145,000 (2022 - \$145,878) consulting fees paid or accrued to a director and a company controlled by a director was capitalized under exploration and evaluation assets (Note 7).
- d) Included in receivables at October 31, 2023 is \$1,359 (2022 - \$1,359) owed from a director.
- e) Included in accounts payable and accrued liabilities at October 31, 2023 is \$438,577 (2022 - \$567,383) owing to one director, a company controlled by a director, a company associated with the former CFO, an officer, four former directors, and a company controlled by a former director.
- f) Included in loans payable at October 31, 2023 is \$Nil (2022 - \$121,106) owing to a director and two former directors. Interest payable on related party loans amount to \$20,500 (2022 - \$20,683).
- g) During the year ended October 31, 2023, the Company incurred office rent of \$30,000 (2022 - \$30,000) to a company controlled by the CEO of the Company.
- h) During the year ended October 31, 2023, the Company purchased certain lab and field equipment costing \$75,000 (2022 - \$Nil) from a company associated with the CEO and a company controlled by the CEO.
- i) During the year ended October 31, 2023, \$157,146 (2022 - \$Nil) share-based compensation for stock options granted to directors and officers were recorded by the Company. During the three-month and nine-month periods ended July 31, 2024, \$13,947 and \$55,089, respectively, (2023 - \$127,151 and \$127,151, respectively) share-based compensation for stock options granted to directors and officers were recorded by the Company.
- j) During the three-month and nine-month periods ended July 31, 2024, the Company incurred office rent of \$5,000 and \$20,000, respectively, (2023 - \$7,500 and \$22,500, respectively) to a company controlled by the CEO of the Company at the time.

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. Loans are non-secured but carry interest at 10% per annum.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
 For the Nine Months Ended July 31, 2024 and 2023  
 (Unaudited - Expressed in Canadian Dollars)

**Key management personnel compensation**

Key management includes the Company's executive directors and officers.

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2024	2023	2024	2023
Consulting fees, salaries & benefits, management fees	115,000	211,000	252,000	503,000
Share-based payments	13,947	127,151	55,089	127,151
Rent	5,000	7,500	20,000	22,500
	133,947	345,651	327,089	652,651

**13. RESEARCH AND DEVELOPMENT**

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2024	2023	2024	2023
Research and development	-	4,623	-	45,423

Research and development expenses relate to fees paid to a Quebec-based industrial company, Electrochem Technologies & Materials Inc. ("Electrochem"). In February 2017, the Company entered into an agreement with Electrochem to collaborate on metallurgical and electrochemical technologies to produce vanadium electrolyte ("VE") directly from Vanadiferous Titaniferous Magnetite concentrate. The Company has 100% ownership interest in the new intellectual property developed. In 2023, the Company engaged Sherbrooke University to research and develop a similar metallurgical process. In addition, the Company also expends certain research costs on its own.

PRIMA Quebec, a branch of the Government of Québec supporting the innovations of the advanced materials sector, has awarded the Company a \$500,000 grant towards the Company's development of its electrolyte production operation. The grant is in the form of reimbursing qualified electrolyte production expenditures as submitted by the Company up to an aggregate amount of \$500,000. At October 31, 2023, \$242,000 of qualifying expenditures have been incurred and the Company recognized grant income of \$165,000 of which \$77,000 has been treated as a recovery of electrolyte start-up costs in the statement of loss and comprehensive loss, and \$88,000 has been recorded as deferred government grant in the statement of financial position. \$115,562 of the grant remained receivable at year-end which was collected in December 2023.

**14. RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major brokerage houses and major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. At July 31, 2024, the Company's receivables included \$57,350 (2023 - \$29,952) related to sales tax receivable, \$1,359 (2023 - \$1,359) due from a related party and \$1,702 (2023 - \$Nil) related to general accounts receivable. Credit risk is determined to be low.

## **VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements  
For the Nine Months Ended July 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

---

### *Currency Risk*

The functional currency of the Company and its subsidiaries is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

### *Interest Rate Risk*

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from bank accounts and short-term deposits is subject to movements in interest rates.

### *Liquidity and Funding Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms with the exception of loans payable. The Company's loans payable mature based on the terms outlined in the loan agreements.

The Company completed financings in November and December of 2023 but due to the development and commissioning of the pilot plant and the continued work on the mineral properties, additional financing is required and management is working on arranging another round of funding.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

## **15. CAPITAL MANAGEMENT**

The Company currently manages its capital structure and makes adjustments to it based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity placements. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses.

Other than circumstances arising from the global financial markets, there were no changes in the Company's approach to capital management for the nine-month period ended July 31, 2024, compared to the nine-month period ended July 31, 2023. The Company is not subject to externally imposed capital requirements.

**VanadiumCorp Resource Inc.**

Notes to Condensed Interim Consolidated Financial Statements

For the Nine Months Ended July 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

---

**16. CONTINGENCIES**

A legal claim against certain directors of the Company and other parties by a former CEO for wrongful dismissal and defamation during the Company's proxy contest in 2013 had commenced in a prior period. The action is considered by the Company to be without merit and the action is being vigorously defended. The outcome of this legal action is not determinable and an estimate of any contingent loss arising from this action cannot be made and no further action has been initiated by the plaintiff since the discovery proceedings completed in October 2017.

**17. SEGMENTED INFORMATION**

The Company operates in two reportable operating segments, being the exploration and development of mineral properties in Canada and the development of vanadium flow battery technology. At July 31, 2024, the long-term assets of \$9,015 relating to Equipment (2023 - \$13,283), \$325,500 relating to the Patent (2023 - \$350,000), \$7,091,258 relating to Exploration and evaluation assets (2023 - \$6,398,293) and \$1,794,695 and \$64,000 relating to the Plant No. 1 and Plant No. 2, respectively, (2023 - \$Nil and \$Nil, respectively), are located in Canada.