

# **GLOBAL VANADIUM CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2019 AND 2018**

**(Expressed in Canadian Dollars – Unaudited)**

**GLOBAL VANADIUM CORP.**  
**TABLE OF CONTENTS**  
September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

---

	Page
Table of Contents	2
Notice to Readers	3
Condensed Interim Consolidated Financial Statements	
Condensed Interim Consolidated Statements of Financial Position	4
Condensed Interim Consolidated Statements of Comprehensive Loss	5
Condensed Interim Consolidated Statements of Changes in Equity	6
Condensed Interim Consolidated Statements of Cash Flows	7
Notes to Condensed Interim Consolidated Financial Statements	8

**GLOBAL VANADIUM CORP.**  
NOTICE TO READERS  
September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

---

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

**GLOBAL VANADIUM CORP.**  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian Dollars – Unaudited)

	September 30, 2019	December 31, 2018
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash (Note 3)	247,282	436,408
Receivables	500	1,926
Due from related party (Note 8)	781	-
Prepays	1,892	11,486
	<b>250,455</b>	<b>449,820</b>
Exploration and evaluation assets (Note 4)	1,369,004	1,345,146
Equipment	23	30
	<b>1,619,482</b>	<b>1,794,996</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	11,756	52,686
Refundable deposits (Note 6)	-	150,000
Due to related party (Note 8)	22,409	-
	<b>34,165</b>	<b>202,686</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	4,854,503	4,794,503
Reserves (Note 7)	300,650	300,650
Accumulated deficit	(3,569,836)	(3,502,843)
	<b>1,585,317</b>	<b>1,592,310</b>
	<b>1,619,482</b>	<b>1,794,996</b>

Nature and Continuance of Operations (Note 1)

**These condensed interim consolidated financial statements are authorized for issuance by the Board of Directors on November 25, 2019.**

**On Behalf of the Board of Directors:**

Director (*Brian Morrison*) \_\_\_\_\_

Director (*Alex Helmel*) \_\_\_\_\_

See accompanying notes to the condensed interim consolidated financial statements.

**GLOBAL VANADIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars – Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	<b>2019</b>	2018	<b>2019</b>	2018
	\$	\$	\$	\$
<b>ADMINISTRATIVE EXPENSES</b>				
Business investigation costs	-	13,320	-	17,893
Consulting fees	-	30,000	<b>5,000</b>	30,000
Interest and bank charges	<b>205</b>	241	<b>771</b>	846
Marketing	<b>1,200</b>	4,270	<b>9,361</b>	4,270
Office	<b>1,505</b>	351	<b>2,423</b>	1,503
Professional fees	<b>3,255</b>	3,400	<b>19,514</b>	3,211
Travel and related	<b>193</b>	2,872	<b>1,009</b>	2,872
Trust and filing fees	<b>7,353</b>	3,278	<b>28,915</b>	12,312
<b>NET AND COMPREHENSIVE LOSS FOR THE PERIOD</b>				
	<b>(13,711)</b>	(57,732)	<b>(66,993)</b>	(72,907)
<b>BASIC AND DILUTED NET LOSS PER SHARE</b>				
	<b>(0.00)</b>	(0.01)	<b>(0.00)</b>	(0.01)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>				
	<b>18,156,879</b>	8,871,010	<b>18,129,407</b>	6,541,129

See accompanying notes to the condensed interim consolidated financial statements.

**GLOBAL VANADIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars – Unaudited)

	Common shares		Reserves	Accumulated Deficit	Total
	Number	Amount	Stock Options		
		\$	\$	\$	\$
<b>Balance, December 31, 2017</b>	5,356,880	3,137,003	134,826	(3,151,677)	120,152
Shares issued in private placement	5,300,000	397,500	-	-	397,500
Stock options cancelled	-	-	(134,826)	134,826	-
Comprehensive income for the period	-	-	-	(72,907)	(72,907)
<b>Balance, September 30, 2018</b>	10,656,880	3,534,503	-	(3,089,758)	444,745
Shares issued for asset acquisitions	7,000,000	1,260,000	-	-	1,260,000
Share-based compensation	-	-	300,650	-	300,650
Comprehensive income for the period	-	-	-	(413,085)	(413,085)
<b>Balance, December 31, 2018</b>	17,656,880	4,794,503	300,650	(3,502,843)	1,592,310
Warrants exercised	499,999	60,000	-	-	60,000
Comprehensive income for the period	-	-	-	(66,993)	(66,993)
<b>Balance, September 30, 2019</b>	<b>18,156,879</b>	<b>4,854,503</b>	<b>300,650</b>	<b>(3,569,836)</b>	<b>1,585,317</b>

See accompanying notes to the condensed interim consolidated financial statements.

**GLOBAL VANADIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars – Unaudited)

	For the nine months ended September 30,	
	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(66,993)	(72,907)
Adjustments for non-cash items		
Depreciation	7	9
	<b>(66,986)</b>	<b>(72,898)</b>
Changes in non-cash operating working capital items:		
Receivables	1,426	(762)
Prepays	5,409	-
Accounts payable and accrued liabilities	(40,930)	(17,723)
Due from related party	(781)	-
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>(97,677)</b>	<b>(91,383)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation asset expenditures	(23,858)	-
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(23,858)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	-	397,500
Exercise of warrants	60,000	-
Refundable deposits	(150,000)	(47,100)
Due to related party	22,409	-
Repayment of loan payable	-	(25,000)
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>(67,591)</b>	<b>325,400</b>
<b>NET CHANGE IN CASH</b>	<b>(189,126)</b>	<b>234,017</b>
<b>CASH, beginning of the period</b>	<b>436,408</b>	<b>404,860</b>
<b>CASH, end of the period</b>	<b>247,282</b>	<b>638,877</b>
<b>Supplemental cash flow information:</b>		
Cash paid for taxes	-	-
Cash paid for interest	-	-

See accompanying notes to the condensed interim consolidated financial statements.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

**Nature of operations**

Global Vanadium Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on December 10, 2007 and continued into British Columbia under the Business Corporations Act (British Columbia) in March 2016. The Company began trading on April 18, 2011 as a Tier 2 Mining Issuer on the TSX Venture Exchange ("TSX-V") and the OTC Markets in the United States and currently trades under the symbol, "GLV" and "WDFCF", respectively. The Company is engaged in the business of identification, acquisition and exploration of mineral interests. On October 10, 2018, the Company changed its name from Windfire Capital Corp. to Global Vanadium Corp.

The head office, principal address and records office of the Company are located at Suite 2310, 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3. The Company's registered address is 800 – 885 West Georgia Street, Vancouver, BC, V6C 3H1.

**Going concern**

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2019, the Company had working capital of \$216,290 (December 31, 2018 – \$247,134) but is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with current cash on hand, proceeds from exercise of options, and further private placements.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company for the years ended December 31, 2018 and 2017.

**Basis of preparation**

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Principles of consolidation**

The condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction	Parent Company	Ownership, September 30, 2019	Ownership, December 31, 2018
1141717 B.C. Ltd.	British Columbia, Canada	Global Vanadium Corp.	100%	100%
Global Vanadium Nevada Corp.	Nevada, USA	1141717 B.C. Ltd.	100%	100%

All intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

**Use of estimates and judgments**

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements include, but are not limited to, the following:

- i) Determination of categories of financial assets and financial liabilities; and
- ii) Assessment of the going concern assumption.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

- i) **Deferred income taxes** – The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the condensed interim consolidated financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments**

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Receivables are measured at amortized cost with subsequent impairments recognized in profit or loss and cash and investments are classified as FVTPL.

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) at amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, refundable deposits, and loan payable are carried on the balance sheet at amortized cost.

As at September 30, 2019, the Company does not have any derivative financial liabilities.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

**3. CASH**

	September 30, 2019	December 31, 2018
	\$	\$
Cash	247,282	286,408
Cash held in lawyers' trust account	-	150,000
	<b>247,282</b>	<b>436,408</b>

**4. EXPLORATION AND EVALUATION ASSETS**

	Desert Eagle
	\$
Balance, December 31, 2017	-
Acquisition:	
Common shares issued	1,260,000
Cash payment	80,000
Exploration:	
Geological	5,146
Balance, December 31, 2018	1,345,146
Exploration:	
Geological	2,256
Maintenance fees	21,602
<b>Balance, September 30, 2019</b>	<b>1,369,004</b>

**Desert Eagle Project**

In November 2018, the Company closed a Share Purchase and Sale Agreement (“SP&S Agreement”) with the shareholders (Vendors”) of 1141717 B.C. Ltd. (“1141717 BC”) whereby the Company purchased 100% of the outstanding shares of 1141717 BC for \$80,000 (paid) and 7,000,000 common shares of the Company (issued) at a fair value of \$1,260,000. In conjunction with the closing of the SP&S Agreement, the Company incorporated Global Vanadium Nevada Corp. (“GVNC”) which is a wholly owned subsidiary of 1141717 BC. The acquisition of 1141717 BC has been determined to be an asset acquisition as 1141717 BC does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of 1141717 BC has been accounted for as an asset acquisition whereby the sole asset acquired being exploration and evaluation assets is assigned the entire purchase price.

In connection with the acquisition of 1141717 BC, the title to the Desert Eagle Project was transferred to GVNC. Desert Eagle Project is located in Garfield County, Utah, consists of 97 Lode Claims, a total of 2,004 acres and are prospective for vanadium.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	September 30, 2019	December 31, 2018
	\$	\$
Trade and other payables	8,756	37,686
Accrued liabilities	3,000	15,000
	<b>11,756</b>	<b>52,686</b>

**6. REFUNDABLE DEPOSITS**

As at September 30, 2019, the Company had \$nil (December 31, 2018 - \$150,000) in refundable deposits for a future private placement. During the nine months ended September 30, 2019, the Company returned \$150,000 (year ended December 31, 2018 - \$47,100) to the original subscribers.

**7. SHARE CAPITAL AND RESERVES**

**Authorized share capital**

Unlimited number of Class “A” common shares with no par value.

**Issued shares**

*During the nine months ended September 30, 2019:*

On January 15, 2019, the Company issued 499,999 common shares in connection with the exercise of 499,999 warrants with a weighted average exercise price of \$0.12 for total proceeds of \$60,000.

*During the year ended December 31, 2018:*

In August 2018, the Company closed a non-brokered private placement by issuing 5,300,000 units at a price of \$0.075 per unit for gross proceeds of \$397,500. Each unit consists of one common share and one share purchase warrant with each share purchase warrant being exercisable for a period of one year at a price of \$0.12 per share.

On October 10, 2018, the Company issued 7,000,000 common shares with a fair value of \$1,260,000 in accordance to the SP&S Agreement for Desert Eagle Project as described in Note 4.

**Basic and diluted loss per share**

The calculation of basic and diluted income per share for the three and nine months ended September 30, 2019 was based on the loss attributable to common shareholders of \$10,307 and \$63,589, respectively (for the three and nine months ended September 30, 2018 – \$57,732 and \$72,907, respectively) and the weighted average number of common shares outstanding of 18,156,879 and 18,129,407, respectively (for the three and nine months ended September 30, 2018 – 8,871,010 and 6,541,129, respectively).

As at September 30, 2019, 1,750,000 stock options were not included in the calculation of diluted loss per share as the effect would be anti-dilutive.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

**7. SHARE CAPITAL AND RESERVES (continued)**

**Stock options**

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

On October 15, 2018, the Company granted 1,750,000 incentive stock options to certain officers, directors, and consultants of the Company at an exercise price of \$0.165. These options were granted for a period of five years and vest upon issuance. The estimated fair value, \$300,650, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.42%, forfeiture rate of 0%, no annual dividends, expected volatility of 175% and a market price of shares at grant date \$0.18. Volatility was determined by using the previous five years of closing market price for the Company's stock from the grant date.

During the year ended December 31, 2018, 70,000 stock options were cancelled and, as a result, reclassified \$134,826 from reserves to deficit.

The Company did not have any stock option transactions during the nine months ended September 30, 2019.

A summary of changes of stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2017	70,000	1.59
Cancelled	(70,000)	1.59
Granted	1,750,000	0.165
<b>Balance, December 31, 2018 and September 30, 2019</b>	<b>1,750,000</b>	<b>0.165</b>

As at September 30, 2019, the following options were outstanding and exercisable:

Number of Options	Weighted Average Exercise Price	Expiry Date
	\$	
1,750,000	0.165	October 15, 2023

The weighted average life of options outstanding at September 30, 2019 was 4.04 years.

**Warrants**

During the year ended December 31, 2018, the Company issued 5,300,000 warrants with an exercise price of \$0.12 per warrant in connection with its August 2018 private placement.

During the nine months ended September 30, 2019, the Company issued 499,999 common shares in connection with the exercise of 499,999 warrants with a weighted average exercise price of \$0.12 for total proceeds of \$60,000. In addition, 4,800,001 warrants expired.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

**7. SHARE CAPITAL AND RESERVES (continued)**

**Warrants (continued)**

A summary of changes of warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2017	-	-
Issued	<b>5,300,000</b>	0.12
Balance, December 31, 2018	<b>5,300,000</b>	0.12
Exercised	<b>(499,999)</b>	0.12
Expired	<b>(4,800,001)</b>	0.12
<b>Balance, September 30, 2019</b>	<b>-</b>	<b>-</b>

**8. RELATED PARTY TRANSACTIONS**

The Company defines key management as officers and directors of the Company.

During the nine months ended September 30, 2019 and 2018, the Company did not have any transactions with related parties.

As at September 30, 2019, \$22,409 (December 31, 2018 - \$22) was included in due to related party owing to a company related by virtue of a common officer and a common director for reimbursement of expenses.

As at September 30, 2019, \$781 (December 31, 2018 - \$nil) was included in due from related party owing from an officer and director of the Company for expense reimbursement overpayment.

**9. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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.

The fair value of the Company's sales tax receivable, accounts payable and accrued liabilities, due from related party, and due to related party approximates their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

---

**10. FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) 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 primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient working capital to meet liabilities when due. As at September 30, 2019, the Company has sufficient cash to settle its current liabilities.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) Currency risk

The Company's operations and financing activities are conducted in Canadian dollars and, as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

(e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not subject to interest rate risk.

**11. CAPITAL DISCLOSURE AND MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to meet its exploration commitments. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's overall strategy remains unchanged from 2018. The Company is not subject to any externally imposed capital requirements.

**GLOBAL VANADIUM CORP.**  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For The Three and Nine Months Ended September 30, 2019  
(Expressed in Canadian Dollars – Unaudited)

**12. SEGMENTED INFORMATION**

The Company has one operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

	Canada	USA	Total
	\$	\$	\$
September 30, 2019			
Equipment	23	-	23
Exploration and evaluation assets	-	1,369,004	1,369,004
Other assets	250,455	-	250,455
	250,478	1,369,004	1,619,482
	\$	\$	\$
December 31, 2018			
Equipment	30	-	30
Exploration and evaluation assets	-	1,345,146	1,345,146
Other assets	449,820	-	449,820
	449,850	1,345,146	1,794,996