

**GLOBAL VANADIUM CORP.**  
**(Formerly Windfire Capital Corp.)**  
**FORM 51-102F1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

**GENERAL**

Dated: April 29, 2019

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view regarding the past performance and future outlook of Global Vanadium Corp.'s (formerly Windfire Capital Corp.) (the "Company") past performance and future outlook. This report also provides information to improve the reader's understanding of the financial statements and related notes as well as important trends and risks affecting the Company's financial performance, and should therefore be read in conjunction with the Company's audited financial statements and notes thereto for the years ended December 31, 2018 and 2017 (the "Financial Statements"). Additional information on the Company is available on SEDAR. All information contained in this MD&A is current as of the date of this report unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

**FORWARD LOOKING STATEMENTS**

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to the Company's future financial conditions, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, plans for development and facilities construction and timing, method of funding and completion thereof, the performance characteristics of the Company's lithium reserves, drilling results of various projects of the Company, commercial viability of exploration and development wells and producing mines, the existence of resources or reserves and the timing of development thereof, projections of market prices and costs, supply and demand for lithium, expectations regarding the ability to raise capital and to acquire reserves through acquisitions and/or development, treatment under governmental regulatory and royalty regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the MD&A, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our

projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with our current expectations; (3) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (4) labour and materials costs increasing on a basis consistent with the Company's current expectations; (5) the availability and timing of additional financing being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of lithium, or certain other commodities (such as diesel fuel and electricity); changes in national and local government legislation and royalty regimes, taxation, controls, regulations and political or economic developments in the countries the Company operates in; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of mineral resources exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the resource industry including, without limiting the generality of the foregoing, contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral resources exploration and development including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and/or uncontrolled mineral resources releases (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks).

Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future.

All of the forward-looking statements made in this MD&A are expressly qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

The forward looking statements contained herein are based on information available as of the date of this report.

## OVERVIEW

Global Vanadium Corp. (formerly Windfire Capital Corp.) was incorporated under the Business Corporations Act (Alberta) on December 10, 2007 and continued into British Columbia under the Business Corporation Act (British Columbia) in March 2016. The Company completed its Qualifying Transaction and began trading on the TSX-V on April 18, 2011 as a Tier 2 Mining Issuer. The common shares of the Company were halted from trading by the TSX-V Exchange (the “TSX-V”) until the Company could either engage a sponsor or obtain a sponsorship exemption in connection with a planned change of business, which did not occur. The Company resumed trading on March 10, 2015 and was halted in July 2015 in connection with its announcement that the Company had entered into an LOI with an arm’s length party to acquire a majority interest in an off-shore petroleum exploration license located in Namibia.

In March 2015, the Company did not meet the continued listing requirements of a Tier 2 Mining Issuer. Therefore, as part of the resumption to trading, the Company’s listing had been transferred to NEX and currently trades under the symbol, “GLV.H”.

On July 20, 2015, the Company entered into a letter of intent with DMiner Asset Management Inc. (“DMiner”) to acquire a majority interest in an off-shore petroleum exploration license with drill ready oil and gas targets in Namibia. Upon completion of this transaction, the Company would be a Tier 2 Oil and Gas Issuer.

In April 2016, the Company entered into a share purchase agreement with DMiner. In January 2017, the transaction was cancelled and the Company shares resumed trading again.

In July 2017, the Company entered into a new LOI with DMiner for the same transaction with certain revised terms resulting in the Company’s shares being halted for trading again. In September 2017, the Company entered into a new share purchase agreement (“SPA”) with DMiner to solidify the terms of the new LOI (refer to the “Proposed Transaction” section for further details). In June 2018, the Company announced it would not be proceeding with the proposed reverse takeover transaction indicated in the terms of the SPA.

In June 2017, the Company completed a share consolidation on the basis of 1 new post-consolidation common share for every 5 pre-consolidation common shares. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation.

In July 2018, Mr. Walter Luke resigned as a director and CEO of the Company. Mr. Brian Morrison, current director and CFO of the Company, filled the role of CEO on an interim basis. Mr. Simon Clarke was also appointed as a director of the Company.

In July 2018, the Company cancelled all of the Company’s outstanding stock options.

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.

In October 2018, the Company changed its name from Windfire Capital Corp. to Global Vanadium Corp.

In October 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.

In November 2018, the Company closed a Share Purchase and Sale Agreement with the shareholders of 1141717 B.C. Ltd. (“1141717 BC”) whereby the Company purchased 100% of the outstanding shares of 1141717 BC to obtain control of the Desert Eagle Project. For a more detailed description of the Company’s interest in its exploration and evaluation assets along with current and future exploration plans, please refer to the section “Summary of Exploration Activities”.

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

In February 2019, the Company appointed Kosta Tsoutsis to the Board of Directors as well as CEO of the Company. As a result, Brian Morrison stepped down from the role of interim CEO, but remains as CFO and director of the Company.

On February 28, 2019, the Company met the requirements to be listed as a TSX-V Tier 2 Mining Company. Therefore, the Company’s listing was transfer from NEX to TSX-V and currently trades under the symbol, “GLV”.

### **PROPOSED TRANSACTION (TERMINATED)**

In July 2015, the Company signed a letter of intent (“LOI”) with DMiner Asset Management Inc. (“DMiner”) to acquire a majority interest in an off-shore petroleum exploration license with drill ready oil and gas exploration targets in the Orange Basin of Namibia. Pursuant to the LOI, the Company would acquire 91.5% of the issued and outstanding shares of Riviera Mina Ltd. (“Riviera”), a company incorporated under the laws of the Republic of the Bahamas (collectively, the “Acquisition”). Riviera owns an indirect 76.5% interest in Petroleum Exploration License No. 0079 in relation to Block 2815 and 2915 for off-shore Namibia (the “License”) with the remaining interest held by Namibia’s national oil company, Namcor, and local Namibian partners. In January 2017, the Company terminated the agreement with DMiner and Riviera. In July 2017, the Company entered into a new LOI with DMiner for the same transaction with certain revised terms. In September 2017, the Company and DMiner entered into a Share Purchase Agreement (“SPA”) to solidify the revised terms.

Under the terms of the SPA, the Company would acquire the 91.5% interest in Riviera on December 29, 2017 or such other date as the Company and DMiner may agree in writing by completing the following:

- Paying a non-refundable deposit of US\$150,000 upon TSX-V approval to DMiner. The Company paid a fully refundable deposit of US\$100,000 (CDN\$133,750) to DMiner in accordance with the first LOI of which US\$10,000 (CDN\$13,375) was refunded in June 2017 and the remaining US\$90,000 (CDN\$120,375) was applied to the non-refundable deposit balance. The Company paid a further US\$19,560 (CDN\$25,000) against the non-refundable deposit resulting in total payments of US\$109,560 (CDN\$145,375 expensed to business investigation costs during the year ended December 31, 2017).
- Issuing 15,000,000 common shares of the Company to DMiner upon closing of the agreement; and
- Paying DMiner US\$850,000.

The Acquisition would constitute a reverse takeover (“RTO”) under the policies of the TSX-V.

Concurrent to the proposed transaction, the Company would complete a private placement to raise gross proceeds of \$3,000,000 to \$5,000,000 by issuing 12,000,000 to 20,000,000 common shares of the Company at \$0.25 per share. During the six months ended, June 30, 2018, the Company incurred \$4,573 (six months ended June 30, 2017 - \$Nil) in various due diligence fees associated with the proposed transaction.

In June 2018, the Company announced it would not be proceeding with the proposed RTO transaction indicated in the terms of the SPA.

## SELECTED ANNUAL INFORMATION

The Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses. The summary of results is as follows:

	For the years ended December 31,		
	2018	2017	2016
	\$	\$	\$
<b>Operations:</b>			
Revenues	-	-	-
Administrative expenses	(485,992)	(248,397)	(50,744)
Net and comprehensive loss	(485,992)	(248,397)	17,927
Basic and diluted loss per share	(0.05)	(0.07)	0.01
Total assets	1,794,996	406,300	148,540
Dividends per share	-	-	-

As at December 31, 2018, the Company had not yet achieved profitable operations and had an accumulated deficit of \$3,502,843 (2017 - \$3,151,677). For the year ended December 31, 2018, the Company had a net and comprehensive loss of \$485,992 (2017 – \$248,397) resulting in a basic and diluted net loss per share of \$0.05 (2017 – \$0.07).

As at December 31, 2018, the Company has no continuing source of operating revenues. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be used to finance future business activities.

## RESULTS OF OPERATIONS

The Company has yet to generate any revenue since its inception from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

The table below details the significant changes in administrative expenditures for the year ended December 31, 2018 as compared to corresponding year ended December 31, 2017:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Business investigation costs	Decrease of \$78,605	Decreased due to higher investigation costs being incurred on potential new projects in the prior year.
Consulting fees	Increase of \$19,000	Increased due to the hiring of a consultant in the current period to assist in locating new projects.
Share-based compensation	Increase of \$300,650	Increased due to no options granted in the prior year.
Trust and filing fees	Decrease of \$21,319	Decreased as the comparative year included additional fees relating to the SPA with DMiner.

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The table below details the significant changes in administrative expenditures for the year ended December 31, 2017 as compared to corresponding year ended December 31, 2016:

<b>Administrative Expenses</b>	<b>Increase / Decrease</b>	<b>Explanation for Change</b>
Business investigation costs	Increase of \$153,648	Increased as the Company incurred due diligence costs and paid a portion of the non-refundable deposit associated with the SPA with DMiner in the current year. Related to preliminary activity before entering the transaction.
Professional fees	Increase of \$7,852	Increased as the Company incurred additional professional fees with respect to the SPA with DMiner.
Trust and filing fees	Increase of \$29,829	Increased fees associated with the SPA with DMiner.

#### FOURTH QUARTER

The table below details the significant changes in administrative expenditures for the quarter ended December 31, 2018 as compared to corresponding quarter ended December 31, 2017:

<b>Expenses</b>	<b>Increase / Decrease in Expenses</b>	<b>Explanation for Change</b>
Business investigation costs	Decrease of \$90,558	Decreased due to higher investigation costs being incurred on potential new projects in the prior period.
Professional fees	Increase of \$10,335	Increased due to increased corporate activities and acquisition of new subsidiaries and related project.
Share-based compensation	Increase of \$300,650	Increased due to no options granted in the prior period.

During the quarter ended December 31, 2018, the Company recorded a net loss of \$413,085 or \$0.02 per share compared with net loss of \$194,250 or \$0.04 per share in the fourth quarter of 2017. During the quarter ended December 31, 2018, cash decreased by \$202,469 mostly due to the investigation costs incurred on potential new projects and acquisition of a new property; while in the comparative period, cash increased by \$183,000 mostly due to the receipt of refundable deposits.

**SUMMARY OF QUARTERLY RESULTS**

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

		Quarters Ended			
		December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Net and comprehensive loss	(\$)	(413,085)	(57,732)	(4,385)	(10,790)
Loss per share basic and diluted	(\$)	(0.02)	(0.01)	(0.00)	(0.00)
Weighted average number of shares outstanding – basic and diluted		16,896,010	8,871,010	5,356,880	5,356,880
		December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Net and comprehensive loss	(\$)	(194,250)	(42,758)	(4,054)	(7,335)
Loss per share basic and diluted	(\$)	(0.04)	(0.01)	(0.00)	(0.00)
Weighted average number of shares outstanding – basic and diluted		5,356,880	5,356,880	2,263,973	2,229,607

The variations in the losses from quarter to quarter are mainly due to the level of administrative expenses incurred by the Company and are fairly consistent from quarter to quarter with the exception of the following:

- The quarter ended December 31, 2018 included share-based compensation related to stock options granted and vested immediately;
- the quarters ended December 31, 2018 and September 30, 2018 included increased fees associated with locating a new project;
- the quarters ended December 31, 2017 and September 30, 2017 included increased fees associated with the SPA with DMiner; and
- the quarter ended December 31, 2017 included increased professional fees related to DMiner.

## SUMMARY OF EXPLORATION ACTIVITIES

### Exploration and Evaluation Properties

For the year ended December 31, 2018, the Company incurred exploration and evaluation expenditures of \$1,345,146 as compared to \$nil in the comparative year for 2017.

The total cumulative acquisition costs during the year ended December 31, 2018 for the newly acquired property are summarized as follows:

	<b>Desert Eagle</b>
	\$
Acquisition:	
Common shares issued	1,260,000
Cash payment	80,000
Exploration:	
Geological	5,146
<b>For the year ended December 31, 2018</b>	<b>1,345,146</b>

### Current Projects

#### **Desert Eagle Project, USA**

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.

The Desert Eagle Project is comprised of a total of 2,004 acres located in the Trachyte district situated to the east of the Henry Mountains, 95 miles south of Green River, Utah. The project is considered prospective for the development of vanadium due to high historic grades (up to 28% Vanadium Pentoxide) and high ratios of vanadium over uranium present on the claims. Mineralization occurs within sandstone of the Salt Wash member of the Jurassic Morrison formation, a rock unit synonymous with vanadium and uranium production across the Colorado Plateau. The historic grades referenced above have not independently been confirmed by the Company.

In January 2019, the Company completed an NI 43-101 technical report on this project.

### Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Adrian Smith, P. Geo., B.Sc., a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

## LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares and the exercise of options and warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company's liquidity and capital resources as at the following dates are as follows:

	December 31, 2018	December 31, 2017
	\$	\$
Cash	436,408	404,860
Receivables	1,926	1,397
Prepays	11,486	-
Total current assets	449,820	406,257
Accounts payable and accrued liabilities	52,686	64,048
Refundable deposits	150,000	197,100
Loan payable	-	25,000
Total current liabilities	202,686	286,148
Working capital	247,134	120,109

As at December 31, 2018, the Company had cash of \$436,408 (2017 - \$404,860) and working capital of \$247,134 (2017 - \$120,109).

During the year ended December 31, 2018, the Company experienced an increase in cash of \$31,548 versus an increase of \$390,407 in the comparative year ended December 31, 2017. In the current year, the Company closed a private placement for gross proceeds of \$397,500, paid \$80,000 on acquisition of subsidiaries, repaid \$47,100 of the refundable deposits, repaid \$25,000 of the loan payable, and used funds on its administrative costs. In the comparative period, the Company used funds received from the June 2017 private placement to pay outstanding accounts payable invoices and half of the loan payable. Additionally, the company paid a further \$25,000 towards the non-refundable deposit with DMiner.

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. See "Risks and Uncertainties".

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

	For the years ended December 31,	
	2018	2017
	\$	\$
Share-based compensation	68,720	-

As at December 31, 2018, the Company owed Brian Morrison, CFO and director of the Company, \$22 (2017 - \$22) for reimbursement of expenses.

## **RISKS & UNCERTAINTIES**

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is engaged in the acquisition, exploration and development of mineral properties. Given the nature of the resource business, the limited extent of the Company's assets, and the present stage of exploration, the following risks factors, among others, should be considered.

### **Exploration, Development and Operating Risks**

The Company is in the process of exploration and development of its properties and has not yet generated any revenues from production. The recovery of expenditures on mineral properties and the related exploration and evaluation expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its Desert Eagle Project, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Resource exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's efforts will be successful and will result in commercial production or profitability.

### **Fluctuating Resource Prices**

The economics of resource exploration and development are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the quantity and quality of resources and fluctuations in the market price of those resources. Depending on the price of resources, the Company may determine that it is impractical to continue a resource exploration operation or to develop one. Resource prices are prone to fluctuations and the marketability of resources are affected by government regulation relating to price, royalties, allowable production and the importing and exporting of resources, the effect of which cannot be accurately predicted.

### **Financing Risks and Dilution to Shareholders**

In order to execute the current business objectives, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to the capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

### **Regulatory, Permit and License Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

### **Title to Properties**

Acquisition of title to mineral properties can be a very detailed and time-consuming process. Title to, and the area of, properties could be disputed. The Company cannot give a certain assurance that title to its properties will not be challenged or impugned. A successful claim that the Company does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any resources or minerals on its properties without compensation for its prior expenditures relating to its properties.

### **Competition**

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company.

### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### **Environmental Risks**

The Company's exploration and development programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

### **Currency Risks**

The Company's financial results are reported in Canadian dollars. The Company's exploration properties are located in the United States and the Company incurs most of its expenditures in United States dollars. Any appreciation in the currency of the United States against the Canadian dollar will increase the Company's costs of carrying out operations and its ability to continue to finance its operations. Such fluctuations could have a material adverse effect on the Company's financial results.

### **Local Resident Concerns**

Apart from ordinary environmental issues, the exploration and development the Company's projects could be subject to resistance from local residents that could either prevent or delay exploration and development of its properties.

### **Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA and applicable internal corporate governance or board policies where and when applicable.

### **Political Risks**

The Company's operations may be adversely affected by changes in governmental policies or other economic developments which are not within the control of the Company including a change in taxation policies, economic sanctions, and currency control. The Company is subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.

### **Uninsurable Risks**

Exploration, development and production operations on resource properties involve numerous risks, including unexpected or unusual geological and/or operating conditions, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **No Operating History**

The Company and has not commenced commercial operations since incorporation to date. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based compensation and the recognition of deferred tax amounts.

### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Critical judgments exercised in apply accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

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

## CHANGES IN ACCOUNTING POLICIES

On January 1, 2018, the Company adopted IFRS 9 *Financial Instruments* which replaced IAS 39, *Financial Instruments: Classification and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking ‘expected loss’ impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company’s business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company’s financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.
- The adoption of the new “expected credit loss” impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings.

### 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 December 31, 2018, the Company does not have any derivative financial liabilities.

#### Accounting pronouncements not yet adopted

IFRS 16 – Leases: specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. Management does not anticipate this standard having a material effect on the Company's consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's consolidated financial statements.

### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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 receivables, accounts payable and accrued liabilities, and refundable deposits approximate their carrying values. The Company's cash is measured at fair value using level 1 inputs.

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 liquidity to meet liabilities when due. As at December 31, 2018, 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, interest rates and equity prices 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.

## **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 2017. The Company is not subject to any externally imposed capital requirements.

## DISCLOSURE DATA FOR OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS

The Company has one class of common shares. Below is a summary of the outstanding capital of the Company as at December 31, 2018 and the date of this report:

	As at December 31, 2018	Date of this report
Common shares	17,656,880	18,156,879
Warrants	5,300,000	4,800,001
Stock options	1,750,000	1,750,000

### *Warrants*

As of the date of this report, there was one tranche of warrants outstanding as shown below.

Warrants Issue Date	Number of Warrants Outstanding	Exercise Price	Expiry Date
August 1, 2018	4,800,001	\$0.12	August 1, 2019

### *Stock Options*

As of the date of this report, there was one tranche of stock options outstanding as shown below.

Stock Options Issue Date	Number of Stock Options Outstanding	Exercise Price	Expiry Date
October 15, 2018	1,750,000	\$0.165	October 15, 2023

## OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on or in:

- SEDAR at [www.sedar.com](http://www.sedar.com);
- the Company's audited financial statements for the years ended December 31, 2018 and 2017.

This MD&A was approved by the Board of Directors of Global Vanadium Corp. (formerly Windfire Capital Corp.)