

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017

(Expressed in Canadian Dollars)

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
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December 31, 2018
(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Global Vanadium Corp. (Formerly Windfire Capital Corp.)

Opinion

We have audited the consolidated financial statements of Global Vanadium Corp. (Formerly Windfire Capital Corp.) ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

**Chartered Professional Accountants
Vancouver, Canada
April 29, 2019**

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31, 2018	December 31, 2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash (Note 3)	436,408	404,860
Receivables	1,926	1,397
Prepays	11,486	-
	449,820	406,257
Exploration and evaluation assets (Note 4)	1,345,146	-
Equipment	30	43
	1,794,996	406,300
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	52,686	64,048
Refundable deposits (Note 6)	150,000	197,100
Loan payable (Note 7)	-	25,000
	202,686	286,148
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	4,794,503	3,137,003
Reserves (Note 8)	300,650	134,826
Accumulated deficit	(3,502,843)	(3,151,677)
	1,592,310	120,152
	1,794,996	406,300

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 16)

These consolidated financial statements are authorized for issuance by the Board of Directors on April 29, 2019.

On Behalf of the Board of Directors:

Director (*Brian Morrison*) _____

Director (*Alex Helm*) _____

See accompanying notes to the consolidated financial statements.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the years ended December 31,	
	2018	2017
	\$	\$
ADMINISTRATIVE EXPENSES		
Business investigation costs (Note 9)	84,687	163,292
Consulting fees	22,000	3,000
Interest and bank charges	1,271	78
Marketing	6,359	2,700
Office	2,629	2,176
Professional fees	37,448	31,826
Share-based compensation (Note 10)	300,650	-
Travel and related	8,626	1,684
Trust and filing fees	22,322	43,641
	(485,992)	(248,397)
NET AND COMPREHENSIVE LOSS FOR THE YEAR	(485,992)	(248,397)
BASIC AND DILUTED NET LOSS PER SHARE	(0.05)	(0.07)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	9,136,606	3,814,663

See accompanying notes to the consolidated financial statements.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Common shares		Reserves	Accumulated Deficit	Total
	Number	Amount	Stock Options		
		\$	\$	\$	\$
Balance, December 31, 2016	2,229,607	2,795,473	134,826	(2,903,280)	27,019
Shares issued in private placement	3,127,273	344,000	-	-	344,000
Share issue costs	-	(2,470)	-	-	(2,470)
Comprehensive income for the year	-	-	-	(248,397)	(248,397)
Balance, December 31, 2017	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
Shares issued for asset acquisitions	7,000,000	1,260,000	-	-	1,260,000
Share-based compensation	-	-	300,650	-	300,650
Stock options cancelled	-	-	(134,826)	134,826	-
Comprehensive income for the year	-	-	-	(485,992)	(485,992)
Balance, December 31, 2018	17,656,880	4,794,503	300,650	(3,502,843)	1,592,310

See accompanying notes to the consolidated financial statements.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended December 31,	
	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Loss for the year	(485,992)	(248,397)
Adjustments for non-cash items		
Depreciation	13	19
Share-based compensation	300,650	-
	(185,329)	(248,378)
Changes in non-cash operating working capital items:		
Receivables	(529)	(1,122)
Prepaid expenses and deposits	(11,486)	133,750
Accounts payable and accrued liabilities	(11,362)	(7,448)
CASH USED IN OPERATING ACTIVITIES	(208,706)	(123,198)
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(5,146)	-
Cash on acquisition of subsidiaries	(80,000)	-
CASH USED IN INVESTING ACTIVITIES	(85,146)	-
FINANCING ACTIVITIES		
Shares issued for cash	397,500	344,000
Share issue costs	-	(2,470)
Refundable deposits	(47,100)	197,075
Repayment of loan payable	(25,000)	(25,000)
CASH USED IN FINANCING ACTIVITIES	325,400	513,605
NET CHANGE IN CASH	31,548	390,407
CASH, beginning of the year	404,860	14,453
CASH, end of the year	436,408	404,860
Supplemental cash flow information:		
Cash paid for taxes	-	-
Cash paid for interest	-	-
Supplemental non-cash information:		
Shares issued for acquisition of subsidiary	1,260,000	-
Fair value of stock options cancelled	134,826	-

See accompanying notes to the consolidated financial statements.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Nature of operations

Global Vanadium Corp. (formerly Windfire Capital 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 and currently trades under the symbol, "GLV". 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 2000, 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 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 December 31, 2018, the Company had working capital of \$247,134 (2017 – \$120,109) 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 warrants, and further private placements.

The 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.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance 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”).

The accounting policies applied in preparation of these consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2017, except for the following:

Financial instruments

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.

Basis of preparation

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

Principles of consolidation

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

Name	Jurisdiction	Parent Company	Ownership, December 31, 2018	Ownership, December 31, 2017
1141717 B.C. Ltd.	British Columbia, Canada	Global Vanadium Corp.	100%	None
Global Vanadium Nevada Corp.	Nevada, USA	1141717 B.C. Ltd.	100%	None

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

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments

The preparation of the Company's 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 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 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.

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.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated using a declining balance method to write off the cost of the assets. The depreciation rate is applicable as follows:

Computer equipment	30% Declining balance
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One-half the normal rate of amortization is recorded in the year of acquisition.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation asset expenditures

Pre-exploration costs

Pre-exploration costs are expensed as incurred.

Exploration and evaluation expenditures

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

The Company accounts for the mineral exploration tax credit on a cash basis.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing price on the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to share capital.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. Share-based payments to non-employees are measured on the date and at the fair value of goods or services received, or fair value of the equity instruments issued, whichever can be more reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in option reserves is transferred to share capital. The Company transfers the value of cancelled and expired unexercised vested stock options to deficit from reserves on the date of expiration.

Impairment of assets

The carrying amount of the Company's assets (which include equipment) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

GLOBAL VANADIUM CORP.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred income tax:

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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.

3. CASH

	December 31, 2018	December 31, 2017
	\$	\$
Cash	286,408	217,760
Cash held in lawyers’ trust account	150,000	187,100
	436,408	404,860

GLOBAL VANADIUM CORP.
(Formerly Windfire Capital Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

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

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.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018	December 31, 2017
	\$	\$
Trade and other payables	37,686	47,548
Accrued liabilities	15,000	16,500
	52,686	64,048

6. REFUNDABLE DEPOSITS

As at December 31, 2018, the Company had \$150,000 (2017 - \$197,100) in refundable deposits for a future private placement. During the year ended December 31, 2018, the Company returned \$47,100 (year ended December 31, 2017 - \$25) to the original subscribers.

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7. LOAN PAYABLE

As at December 31, 2018, the Company repaid its \$25,000 loan payable which was unsecured and non-interest bearing. The loan was due seven days from the Company receiving regulatory approval of the last private placement.

8. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of Class "A" common shares with no par value

Issued shares

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.

During the year ended December 31, 2017

The Company completed a non-brokered private placement in June 2017 which consisted of the issuance of 3,127,273 common shares at a price of \$0.11 per share for gross proceeds of \$344,000.

Basic and diluted loss per share

The calculation of basic and diluted income per share for the year ended December 31, 2018 was based on the loss attributable to common shareholders of \$485,992 (2017 – \$248,397) and the weighted average number of common shares outstanding of 9,136,606 (2017 – 3,814,663).

As at December 31, 2018, 1,750,000 stock options and 5,300,000 warrants were not included in the calculation of diluted loss per share as the effect would be anti-dilutive.

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.

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8. SHARE CAPITAL AND RESERVES (continued)

Stock options (continued)

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

	Number of Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2016 and 2017	70,000	1.59
Cancelled	(70,000)	1.59
Granted	1,750,000	0.165
Balance, December 31, 2018	1,750,000	0.165

As at December 31, 2018, 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 December 31, 2018 was 4.79 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.

A summary of changes of warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2016 and 2017	-	-
Issued	5,300,000	0.12
Balance, December 31, 2018	5,300,000	0.12

As at December 31, 2018, the following warrants were outstanding and exercisable:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
	\$	
5,300,000	0.12	August 1, 2019

The weighted average life of warrants outstanding at December 31, 2018 was 0.58 years.

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9. PROPOSED TRANSACTION

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 to solidify the revised terms.

Under the terms of the share purchase agreement, 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 Venture Exchange (“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.

10. RELATED PARTY TRANSACTIONS

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

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

As at December 31, 2018, \$22 (2017 - \$22) was included in accounts payable and accrued liabilities owing to the CFO and director of the Company for reimbursement of expenses.

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11. 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 receivables, accounts payable and accrued liabilities, and refundable deposits approximates their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

12. 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 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 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

The Company has cash balances and no interest-bearing debt. The Company is not subject to interest rate risk.

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13. 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.

14. SEGMENTED INFORMATION

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

	Canada	USA	Total
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
December 31, 2017	\$	\$	\$
Equipment	43	-	43
Other assets	406,257	-	406,257
	406,300	-	406,300

15. DEFERRED INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2018	December 31, 2017
Income (Loss) for the year before income taxes	\$ (485,992)	\$ (248,397)
Expected income tax expense (recovery) at statutory tax rates	(131,218)	(64,583)
Non-deductible items	81,530	44
Effect of tax rate change	-	(29,652)
Change in unrecognized deductible temporary differences	49,688	94,191
Total income tax recovery	-	-

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15. DEFERRED INCOME TAXES (continued)

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

The significant components of the Company's unrecorded deferred tax assets (liabilities) are as follows:

	December 31 2018	December 31, 2017
	\$	\$
Investment tax credit	500	500
Equipment	200	200
Non-capital losses	755,600	705,600
Exploration and evaluation assets	94,300	94,300
Share issuance costs	300	600
Total unrecognized deferred tax assets	850,900	801,200

Tax attributes are subject to review and potential adjustment by tax authorities.

The significant components of the Company's unrecognized temporary differences and unused tax losses are as follows:

	December 31, 2018	Expiry dates	December 31,	Expiry dates
	\$		2017	
Share issuance costs	1,000	2021	2,300	2021
Investment tax credit	1,900	2032	1,900	2032
Equipment	600	No expiry	800	No expiry
Exploration and evaluation assets	349,300	No expiry	349,300	No expiry
Non-capital losses	2,798,400	2029 to 2038	2,613,300	2029 to 2037
	3,151,200		2,967,600	

The Company has accumulated non-capital losses for tax purposes in the amount of \$2,798,400. These losses are available to offset future taxable income. The losses are due to expire as follows:

2029	\$ 5,700
2030	207,000
2031	433,800
2032	461,000
2033	395,700
2034	612,300
2035	196,100
2036	52,200
2037	249,700
2038	184,900
	\$ 2,798,400

As of December 31, 2018, the Company has unrecognized deferred tax liability of \$361,800 due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding shares of 1141717 BC Ltd.

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16. SUBSEQUENT EVENTS

- a) 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.
- b) 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".