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**VANADIUM ONE ENERGY CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE SIX-MONTH PERIOD ENDING AUGUST 31, 2018**  
**DATED OCTOBER 17, 2018**

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**Vanadium One Energy Corp.**  
**Management's Discussion & Analysis**  
*(Expressed in Canadian dollars)*

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## General information

The following Management Discussion and Analysis (“**MD&A**”) presents the results, financial position and cash flows of Vanadium One Energy Corp. (“**Vanadium One**” or the “**Company**”) and should be read in conjunction with the Company’s interim consolidated financial statements and accompanying notes for the quarter ended August 31, 2018 and the audited consolidated financial statements of Vanadium One for the twelve-month period ended February 28, 2018 and with the related notes attached thereto.

In addition to containing an analysis for the six-month period ending August 31, 2018, this MD&A reports on items deemed significant that occurred between August 31, 2018 and the date on which the MD&A is approved by the Company’s Board of Directors, which is October 17, 2018, inclusively.

The disclosures and values in this MD&A were prepared in accordance with International Financial Reporting Standards (“IFRS”) and with the current issued and adopted interpretations effective as of July 30, 2018.

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## Forward-looking statements and use of estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe", "foresee", "estimate" and other similar expressions, in addition to the negative form of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Vanadium One Energy Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Vanadium One Energy Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the “Risk Factors” section of the MD&A.

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that affect the amounts of the assets, liabilities, and expenses reported in the consolidated financial statements.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates could differ from original assumptions and estimates. Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Discussion and Analysis.

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## ITEM 1 - Overview

Vanadium One was incorporated on February 27, 2007 pursuant to the *Business Corporations Act* (Ontario) and is engaged in the business of exploration, in Canada, for mineral resources used in the renewable energy sector. All mineral property interests held are currently in the exploration stage.

The Company listed its common shares on the TSX Venture Exchange for trading upon the completion of its initial public offering ("IPO") as disclosed in a prospectus filed with the regulators and dated May 25, 2007. On January 16, 2017, the Company changed its name from Vendome Resources Corp. to Vanadium One Energy Corp. The Company's shares are listed under the symbol VONE (formerly: VDR) on the TSX Venture Exchange

### Property Descriptions

#### ➤ **Clinton Manganese Project**

In July 2016, the Company agreed to acquire a 100% interest in the Clinton Manganese property ("Clinton Property") located near Clinton, British Columbia, Canada. The Company paid \$20,000 in cash and issued of 12,000,000 common shares at \$0.0075 to acquire the interest. In addition, finders' fees of 1,400,000 common shares at \$0.0075 were issued in relation of the acquisition.

#### ➤ **Ivanhoe, Ontario Property**

In July 2012 the Company completed the acquisition of a 100% interest in the Ivanhoe Lake property (the "Property") located in the Borden Lake Gold District, Ontario, Canada. The vendors retain a 3% net smelter royalty on the property. The property is carried at the nominal amount of \$1.

#### ➤ **Mont Sorcier, Vanadium Project, Chibougamau, Quebec**

On September 29, 2016, the Company entered into an option agreement to earn a 100% interest in the Mont Sorcier Vanadium-Iron-Titanium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau. Pursuant to the agreement, the Company agreed to pay Chibougamau Independent Mines Inc. a single cash payment of \$100,000 and issue to Chibougamau Independent Mines Inc. 4 million common shares of the Company. A minimum of \$1 million in exploration will be undertaken within the first 24 months following signature of the agreement. Chibougamau Independent Mines will retain a 2% Gross Metal Royalty ("GMR") on all mineral production from the property. In order to facilitate the deal, Globex Mining Enterprises Inc. (GMX-TSX), which held a 3% GMR on a number of claims, has reduced its royalty to 1% GMR but it has been extended to the recently enlarged claim group. In addition, a finders' fee of 400,000 common shares of the Company was issued in relation to the acquisition.

On October 14, 2016, the Company and Chibougamau Independent Mines Inc. amended the payment terms of the agreement increasing the single cash payment to \$150,000 and decreasing the number of shares to 2,750,000 to be issued to Chibougamau Independent Mines Inc., and as a result of this change the finders' fee was reduced to 300,000 common shares of the Company. The Company received final approval from the TSX Venture Exchange for the above noted acquisition.

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In November 2016, the Company reported that Claude P. Larouche, P.Eng. (OIQ) completed an initial National Instrument 43-101 Technical Report on the Mont Sorcier Vanadium-Iron-Titanium Project in Roy Township, Quebec. The Technical Report includes a detailed review of the exploration work completed to date, interpretations and conclusions, and recommendations for the next phases of work. Vanadium is recognized for its potential in the "green energy" space and is considered a strategic mineral, along with other minerals such as lithium and manganese, in the rapidly growing market for battery storage technology innovation. Highlights of the "Technical Report" completed for Vanadium One Energy Corp. are as follows:

- The mining claims cover superficies of approximately 1,920 hectares (4,800 acres) and are easily accessed all year round
- 3 types of mineralization have already been recognized on the property; the most significant is the magmatic Fe-Ti-V deposits associated with layered zones within the anorthosite gabbro to gabbroic anorthosite of the Lac Dore Complex. An historical resource of 270,000,000 tons grading 27.65% Fe, 1.05% TiO<sub>2</sub> and 0.23% V<sub>2</sub>O<sub>5</sub> was previously defined in 1974 as part of a potential open pit mining operation for iron.
- Volcanogenic Massive Sulphide (VMS) mineralization, as suggested by the presence of the Sulphur Converting Occurrence hosted within felsic / intermediate fragmental volcanic rocks, crosses the northern part of the claim block. The most common types of mineralization exploited to date in Chibougamau are copper or copper-gold rich vein systems, developed within zones of shearing of different directions and crossing most lithological units, which have also been identified on the claims.
- A budget has been recommended for two separate and independent phases. The main phase would probe, by core drilling, the Fe-Ti-V deposits in order to verify and possibly upgrade part, or all, of the historical resources into NI 43-101 and CIM Standards resources. A possible secondary phase would focus on the gold and massive sulphide potential of the property.

The complete NI 43-101 Technical Report is available on SEDAR. The technical information contained in this report has been reviewed and approved by Claude P. Larouche, P.Eng. (OIQ), who is a Qualified Person with respect to the Company's Mont Sorcier Vanadium, Iron, and Titanium Project as defined under National Instrument 43-101.

- On July 27, 2017, the Company commenced its Phase 1 drilling campaign at its Mont Sorcier iron-titanium-vanadium project. Drilling began on July 21st, 2017. The drilling program was recommended in the NI 43-101 technical report dated October 29th, 2016, and was written by Claude P. Larouche, P.Eng., who has spent over 20 years working in the Chibougamau region.
- On November 14, 2017, the Company announced that its Phase 1 drill results have been analyzed and integrated with its ongoing compilations and assessments pertaining to its 273.7 million-ton Mont Sorcier Fe-V-Ti project near Chibougamau, Quebec. All drill holes and resulting assays were taken from the Mont Sorcier South Zone. The program was aimed at confirming, and up-grading to current standards, a portion of the historical Fe-V-Ti resources established in the early 1960's and 1970's, from the Mont Sorcier Project South Zone (for more information see the press release issued on November 14, 2017 by the Company).
- On November 16, 2017, the Company announced the commencement of its Phase 2 drilling campaign at its Mont Sorcier Iron-Vanadium-Titanium Project. Drilling began on November 13th, 2017. The first drill hole, MSS-17-08, was 275 meters in overall length and the core is now being logged. A Phase 2 drilling program was recommended in our NI 43-101 technical report dated October 29th, 2016 (available on SEDAR).
- On December 8, 2017, Phase 2A drilling was completed. A total of 1,857 meters of core were drilled in a total of eight (8) new NQ-core diamond drill holes. Each drill core was split in half using a diamond saw, producing

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738 samples, each averaging two metres in length, totalling 1,447.8 metres for sampling. Samples taken from the eight (8) new drill holes weighed approximately four (4) tonnes in total and were prepped for analysis. The remaining half of each core was been placed into secured storage for future verification where necessary at the Company's own new core shack in Chibougamau, Quebec.

- On April 4, 2018, the Company shipped 738 samples from its Phase 2A Drilling Program for assaying. A total of approximately four (4) tonnes of samples were shipped to Actlabs in Ancaster, Ontario, for analysis.
- On June 27, 2018, assays, Satmagan and Davis Tube Test results from the Phase 2A drilling program were released for public dissemination in a press release. The results have been compiled, reviewed and incorporated into our 3D model.

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**ITEM 2 - Results of Operations**

For the six-month period ended August 31, 2018, the Company incurred total operational expenses of \$184,510 compared to \$474,709 in the same period in 2017, for a decrease of \$290,199, or 61%.

For the three-month period ended August 31, 2018, the Company incurred total operational expenses of \$108,086 compared to \$240,814 in the same period in 2017, for a decrease of \$132,728, or 55%.

For the period ended August 31,	Three months ended		Six months ended	
	2018	2017	2018	2017
	\$	\$	\$	\$
General and administrative expenses	32 250	57 034	52 445	79 821
Professional and consulting fees	45 836	162 780	72 065	302 280
Management fees (note 12)	30 000	21 000	60 000	21 000
Share based payment	-	-	-	71 608
	<b>108 086</b>	240 814	<b>184 510</b>	474 709
<b>Loss and comprehensive loss</b>	<b>(108 086)</b>	(240 814)	<b>(184 510)</b>	(474 709)

During the six-month period, general and administrative expenditures have decreased by \$27,376 (34%) mainly due to corporate governance related costs such as filing fees paid in the period. Professional and consulting fees decreased by \$230,215 (76%). There was also a share-based payment of \$71,608 in August 31, 2017 for the stock options granted in the first quarter of 2017 and management fees paid during the period for \$60,000 (\$10,000 per month) during the first and second quarter ended August 31, 2018.

During the three-month period, general and administrative expenditures have decreased by \$24,784 (43%) mainly due to corporate governance related costs such as filing fees paid in the period. Professional and consulting fees decreased by \$116,944 (72%). Management fees paid during the period for \$30,000 (\$10,000 per month) during the second quarter ended August 31, 2018.

The net comprehensive loss for the six-month period ended August 31, 2018 was \$184,510 (2017 - \$474,709). The loss per share was \$0.005 based on 34,475,576 post-consolidation weighted average shares outstanding for the period versus a loss of \$0.016 based on 29,042,375 post-consolidation weighted average shares outstanding for the period ended August 31, 2017.

The net comprehensive loss for the three-month period ended August 31, 2018 was \$108,086 (2017 - \$240,814). The loss per share was \$0.003 based on 34,475,576 post-consolidation weighted average shares outstanding for the period versus a loss of \$0.018 based on 29,042,375 post-consolidation weighted average shares outstanding for the period ended August 31, 2017.

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**ITEM 3 - Summary of Quarterly Results**

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Company's revenue, net loss and loss per common share:

Quarter ended,	Revenues	Net loss and Comprehensive loss	Net loss (per share basic)	Shares outstanding
	\$	\$	\$	#
August 31, 2018	-	108 086	0,003	34 475 576
May 31, 2018	-	76 424	0,002	34 475 576
February 28, 2018	-	125 920	0,004	34 475 576
November 30, 2017	-	138 027	0,005	30 563 859
August 31, 2017	-	240 814	0,008	29 042 375
May 31, 2017	-	233 895	0,008	28 552 375
February 28, 2017	-	367 194	0,013	28 552 375
November 30, 2016	-	182 621	0,010	17 630 773
August 31, 2016	-	64 897	0,005	13 930 780
May 31, 2016	-	25 901	0,005	5 356 613

Effective September 28, 2016, the Company consolidated its common shares on the basis of one new post-consolidation common share for every ten (10) pre-consolidation common shares. As a result of the consolidation, the Company's outstanding 139,307,795 common shares were reduced to 13,930,773 common shares. The Company's name and trading symbol remained unchanged.

The consolidation was approved by the shareholders of the Company on September 6, 2016 and accepted by the TSX Venture Exchange on September 26, 2016. All the numbers for shares outstanding in the table are post-consolidation.

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**ITEM 4 - Liquidity**

As at August 31, 2018 the Company had a working capital of \$3,548 and at August 31, 2017 and February 28, 2018 the Company had the following working capital:

	<b>August 31, 2018</b>	<b>August 31, 2017</b>	<b>February 28, 2018</b>
	\$	\$	\$
Cash and cash equivalents	<b>3 872</b>	175 963	104 803
Restricted cash	<b>37 092</b>	350 740	356 391
Receivables and others	<b>32 344</b>	39 911	84 961
Prepaid expenses	<b>10 029</b>	124 280	29 457
Total current assets	<b>83 337</b>	690 894	575 612
Less: accounts payable and accruals	<b>(79 789)</b>	(61 027)	(100 629)
<b>Working capital</b>	<b>3 548</b>	<b>629 867</b>	<b>474 983</b>

Cash and cash equivalents as at August 31, 2018 is \$3,872 compared to \$175,963 as at August 31, 2017 and \$104,803 as at February 28, 2018.

Accounts payable and accrued liabilities includes an amount of \$1,695 as at August 31, 2018 (February 28, 2018 - \$18,502) due to related parties (see Item 7).

Working capital as at August 31, 2018 is \$3,548 compared to \$629,867 as at August 31, 2017 and \$474,983 as at February 28, 2018.

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## ITEM 5 - Capital Resources

### Share capital

*Authorized and issued:* the Company is authorized to issue an unlimited number of common shares. The issued and outstanding common shares are as follows:

	August 31, 2018	February 28, 2018
Shares issued and fully paid:		
Beginning of the year	34 475 576	28 552 375
Private placements	-	4 636 454
Warrants exercised	-	1 286 747
<b>Shares issued and fully paid end of the period</b>	<b>34 475 576</b>	<b>34 475 576</b>
For each class of share capital:		
The number of shares authorized		Unlimited
The number of shares issued and fully paid		34 475 576
The number of shares issued but not fully paid		Nil
Par value per share, or that the shares have no par value		no par value

At August 31, 2018 the Company had 34,475,576 post-consolidation common shares outstanding. As at February 28, 2018 the Company had 34,475,576 post-consolidation common shares outstanding (see ITEM 3). At the date of this MD&A report the Company had 34,475,576 post-consolidation common shares outstanding.

In order to finance the Company's future development and expansion, management will be seeking to raise additional funds primarily by way of the issuance of common shares from the treasury. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior exploration companies operating with limited operating history.

### Shares issued

- (a) On August 3, 2016 Vanadium announced the closing of a private placement in the gross amount of \$542,562. A total of 59,008,331 Units of the Company were issued at a price of \$0.0075 per unit for gross proceeds of \$442,562.48, and 13,333,331 "flow-through" shares at a price of \$0.0075 per share for gross proceeds of \$99,999.98. Each Unit consists of one common share in the capital of the Company and one half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of \$0.01 for a period of 3 years from the closing date of the private placement.

The Company closed its first tranche of the private placement on July 27, 2016 of which the Company issued 21,089,999 Units for gross proceeds of \$158,174.99 (the "First Tranche"). The Company closed its final tranche of the private placement on August 2, 2016 of which the Company issued 37,918,332 Units for gross proceeds of \$284,387.49 and 13,333,331 "flow-through" shares for gross proceeds of \$99,999.98 (the "Final Tranche").

Finders' fees consisting of \$54,256.25 in cash and 7,234,166 broker warrants ("Broker Warrants") were paid to the finders in accordance with policies of the TSX-V. Each Broker Warrant is convertible into one broker warrant unit (a "BW Unit") at a price of \$0.0075 per BW Unit for a period of two years from the date of issuance. Each BW Unit consists of one Share (a "BW Share") of the Company and one-half Warrant of the Company (each whole warrant, a "BW Warrant"). Each BW Warrant will entitle the holder to purchase one Share (a "BW Warrant Share") of the Company for a period of 3 years following the date of issuance of the BW Warrants at a price of \$0.01 per BW Warrant Share.

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- (b) On July 25, 2016 under the terms of the Clinton Manganese Property acquisition agreement, described in Note 9(iii) above, the Company issued 12,000,000 (pre-consolidation) common shares at \$0.0075. In addition, finder's fees of 1,400,000 common shares at \$0.0075 were issued in relation to the acquisition.
- (c) On September 28, 2016 Vanadium announced the consolidation of its common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares. As a result of the consolidation, the Company's outstanding 139,307,795 common shares were reduced to 13,930,773 common shares. No fractional shares were issued. Any fractions of a share were rounded down to the nearest whole number of common shares. The Company's name and trading symbol remained unchanged. The consolidation was approved by the shareholders of the Company on September 6, 2016 and accepted by the TSX Venture Exchange on September 26, 2016.
- (d) On September 28, 2016, in connection with the its effort to restructure, the Company has negotiated debt settlement agreements with various creditors. The outstanding debt with the creditors were extinguished through reduction of current debt from approximately \$187,778.69 to \$130,000 and the issuance of shares on a post-consolidation basis (the "Debt Settlement"). The company has agreed to settle the reduced amount of the debt in exchange for the issuance of an aggregate of 650,000 post-consolidated common shares. The debt settlement will be based on a deemed price of \$0.20 per share on a post-consolidated basis.
- (e) On November 8, 2016, under the terms of the Mont Sorcier Iron-Vanadium-Titanium acquisition agreement, more fully described in Note 9(iv), the Company issued to Chibougamau Independent Mines 2,750,000 common shares. In addition, finders' fees of 300,000 common shares of the Company were issued in relation to the acquisition.
- (f) On December 16, 2016 The Company announced it has completed an initial tranche of a non-brokered private placement financing. Pursuant to the financing, the Company issued 2,004,936 "flow-through" shares at a price of \$0.15 per share for gross proceeds of \$300,740.40.

A cash fee was paid to finders representing 8% of the gross proceeds raised in the Financing. Additionally, finders received that number of compensation warrants ("Compensation Warrants") totaling 8% of the number of FT Shares sold pursuant to the Financing. The Compensation Warrants are exercisable at a price of \$0.15 per shares for a period of 18 months after the closing of the Financing. Finders were paid a corporate finance fee representing 2% of the gross proceeds raised in the Financing and that number of Compensation Warrants equaling 2% of the number of FT Shares sold in the Financing.

- (g) On February 27, 2017 the Company announced it has completed a non-brokered private placement financing as previously announced. Pursuant to the financing, the Company issued 8,416,666 units ("Units") of the Company at a price of \$0.12 per Unit to raise aggregate proceeds totalling \$1,010,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each full warrant will entitle its holder to purchase one additional common share at an exercise price of \$0.25 for a period of 24 months from the closing date of the private placement. All securities issued in connection with the financing are subject to a four-month hold period from the date of issuance in accordance with applicable securities laws.

A cash fee was paid to finders representing 8% of the gross proceeds raised in the financing. Additionally, finders received that number of compensation warrants totaling 8% of the number of Units sold pursuant to the financing. The Compensation Warrants are exercisable at a price of \$0.12 per unit for a period of 24 months after the closing of the financing. Finders were paid a corporate finance fee representing 2% of the gross proceeds raised in the financing and that number of Compensation Warrants equaling 2% of the number of Units sold in the financing.

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- (h) On December 19, 2017 the Company announced it has completed a private placement financing as previously announced. Pursuant to the financing, the Company issued 4,626,454 "flow-through" common shares at a price of \$0.11 per share for gross proceeds of \$510,009.94. All securities issued in connection with the financing are subject to a four-month hold period from the date of issuance in accordance with applicable securities laws. A cash fee was paid to finders representing 6% of the gross proceeds raised in the Financing for a total amount of \$30,000.
- (i) A total of 1,286,747 warrants were exercised during the year and the Company issued 1,286,747 common shares for warrants exercised.

**Financings**

To date, the following financings have been completed by the Company:

	<b>Gross Proceeds</b>	<b>Type of Transaction</b>
	\$	
December, 2017	510 010	Private Placement
February, 2017	1 010 000	Private Placement
December, 2016	300 740	Private Placement
September, 2016	130 000	Debt Settlement
August 2, 2016	100 000	Private Placement
August 2, 2016	284 397	Private Placement
July 27, 2016	158 175	Private Placement
October 7, 2014	49 000	Private Placement
February 18, 2014	32 500	Private Placement
January 3, 2014	142 500	Private Placement
August 30, 2013	100 000	Private Placement
December, 2012	291 250	Private Placement
June, 2011	774 775	Private Placement
August, 2010	54 000	Debt Settlement
July, 2010	600 000	Private Placement
May, 2007	350 000	Initial Public Offering
April, 2007	10 000	Private Placement
February, 2007	50 000	Private Placement

**Stock Options**

As at August 31, 2018 the Company had 2,650,000 stock options issued and outstanding.

	<b>Weighted Average</b>	
<b>exercisable</b>	<b>Exercise Price (\$)</b>	<b>Expiry dates</b>
1 050 000	0,200	September 2019
100 000	0,200	December 2019
750 000	0,120	January 2020
750 000	0,135	March 2020
<b>2 650 000</b>	<b>0,160</b>	

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- (a) In September 2016, the Company issued 1,050,000 incentive stock options to various Employees, Directors and a Consultant. The options are exercisable at \$0.20 per option, on a post-consolidation basis, for a period of 3 years from the date of grant and vest immediately

The fair value of the 1,050,000 stock options at the issue date was \$129,447, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.20; 100% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

- (b) On December 16, 2016, the Company issued 100,000 incentive stock options to the Corporate Secretary of the Company. The options are exercisable at \$0.20 per option for a period of 3 years from the date of grant and vest immediately.

The fair value of the 100,000 stock options at the issue date was \$6,534, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.20; 100% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%.

- (c) On January 9, 2017, the Company issued 750,000 incentive stock options to Directors, Officers and Consultants of the Company. The options are exercisable at \$0.12 per option for a period of 3 years from the date of grant and vest immediately.

The fair value of the 750,000 stock options at the issue date was \$55,477, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.12; 100% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%.

- (d) On March 12, 2017, the Company issued 750,000 incentive stock options to Directors, Officers and Consultants of the Company. The options are exercisable at \$0.135 per option for a period of 3 years from the date of grant and vest immediately.

The fair value of the 750,000 stock options at the issue date was \$83,770, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.15; 157% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%.

**Warrants**

The following is a summary of warrants outstanding:

	<b>August 31, 2018</b>		<b>February 28, 2018</b>	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of the year	11 707 622	0,21	12 994 369	0,20
Warrants exercised	-	-	(1 286 747)	0,08
<b>Balance at end of the period</b>	<b>11 707 622</b>	<b>0,21</b>	<b>11 707 622</b>	<b>0,21</b>

(\*) See Note 11 (ii) (c) on the consolidation of the common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares.

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The fair value of the warrants was based on the Black-Scholes option-pricing model. The following assumptions were used to value them:

Number of warrants	<b>2,950,417</b>	<b>723,417</b>	<b>8,416,666</b>	<b>200,494</b>	<b>841,667</b>	<b>361,708</b>
Weighted average exercise price	\$ 0.10	\$ 0.08	\$ 0.25	\$ 0.15	\$ 0.16	\$ 0.12
Weighted average expected volatility	50%	50%	50%	50%	50%	50%
Weighted average expected warrant life	3 years	2 years	2 years	1.5 years	2 years	2 years
Weighted average expected dividend yield	N/A	N/A	N/A	N/A	N/A	N/A
Weighted average risk-free interest rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

As at August 31, 2018, the outstanding post-consolidation share purchase warrants are as follows:

<b>exercise price</b>	<b>Number outstanding and exercisable</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Expiry</b>
0,16	841 667	1,0	February 2019
0,25	8 416 666	1,0	February 2019
0,15	200 494	1,3	June 2019
0,10	364 500	1,4	July 2019
0,10	1 522 587	1,5	August 2019
0,12	361 708	1,5	August 2019
<b>0,21</b>	<b>11 707 622</b>	<b>1,1</b>	

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**ITEM 6 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

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**ITEM 7 - Transactions with Related Parties**

The Company's related parties include its subsidiaries, key management and their close family members, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. In additions to share issuances, transactions with related parties were as follows:

<b>For the six-month period ended,</b>	<b>August 31, 2018</b>	<b>August 31, 2017</b>
	\$	\$
Management fees	60 000	21 000
Consulting fees paid to a company controlled by an officer	9 000	9 000
Consulting fees paid to a director	-	6 000
Expenses reimbursement	9 525	5 196
	<b>78 525</b>	<b>41 196</b>

<b>For the three-month period ended,</b>	<b>August 31, 2018</b>	<b>August 31, 2017</b>
	\$	\$
Management fees	30 000	1 500
Consulting fees paid to a company controlled by an officer	4 500	4 500
Consulting fees paid to a director	-	6 000
Expenses reimbursement	7 476	983
	<b>41 976</b>	<b>12 983</b>

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

In the prior year the Company negotiated debt settlement agreements with related parties and creditors. The outstanding debts with creditors were totally extinguished through reduction of current debt from approximately \$187,779 to \$130,000 and the issuance of shares on a post-consolidation basis. The Company settled the reduced amount of the debt in exchange for the issuance of an aggregate of 650,000 post-consolidated common shares. The debt settlement was based on a deemed price of \$0.20 per share on a post-consolidated basis. The Company accounted a gain on settlement of debt from related parties of \$79,958 during the year ended February 28, 2017.

Amounts payable to related parties included in the accounts payable and accrued liabilities were as follows:

<b>Outstanding balances owing to related parties as at,</b>	<b>August 31, 2018</b>	<b>August 31, 2017</b>
	\$	\$
Amounts payable to a company controlled by an officer	1 695	1 695
	<b>1 695</b>	<b>1 695</b>

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 any directors (executive and non-executive) of the Company. These amounts include amounts paid to the CEO and CFO of the Company.

## **ITEM 8 - Proposed Transactions**

There are no proposed transactions at this time.

**Vanadium One Energy Corp.**  
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**ITEM 9 - Risk Factors**

Investment in the Company must be considered highly speculative due to the nature of the Company's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Company should only be considered by those persons who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- **Exploration Risks:** exploration for minerals is a speculative venture necessarily involving substantial risk.
- **Mining Risks:** mineral resource exploration and development is a speculative business and involves a high degree of risk.
- **Uninsurable Risks:** mining operations generally involve a high degree of risk which it cannot insure, or against which it may elect not to insure, due to prohibitive costs or otherwise in accordance with standard industry practice.
- **Calculation Risks:** there is a degree of uncertainty attributable to the calculation of mineral reserves, mineral resources and corresponding grades being dedicated to future production.
- **No Assurance to Title or Boundaries:** title to the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.
- **Competition:** the mineral exploration and mining business is competitive in all of its phases.
- **Permits and Licenses:** the planned operations of the Company, including mineral exploration and development activities and commencement of production on its properties, require permits from various levels of government.
- **Governmental Regulation and Policy Risks:** failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, 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.
- **Environmental Risks:** mineral exploration and development, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with the pollution of the environment and the disposal of waste products.
- **Price Volatility of Publicly Traded Securities:** in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.
- **Possible Failure to Realize Anticipated Benefits of Future Acquisitions:** the Company may complete acquisitions to strengthen its position in the mineral exploration industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own.

## **Vanadium One Energy Corp.** **Management's Discussion & Analysis**

*(Expressed in Canadian dollars)*

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- **Operational Risks:** mineral exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion and contaminant spills, each of which could result in substantial damage to mining properties, producing facilities, other property and the environment or in personal injury.
- **Substantial Capital Requirements; Liquidity:** the Company may have to make substantial capital expenditures for the acquisition, exploration, development and production of mineral resources in the future.
- **Issuance of Debt:** from time to time the Company may enter into transactions to acquire assets or shares of other Companies. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards.
- **Dilution:** the Company's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Company, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Company may determine.
- **Net Asset Value:** the Company's net asset value will vary dependent upon a number of factors beyond the control of the Company's management, including commodity prices.
- **Reliance on Management:** shareholders of the Company will be dependent on the management of the Company in respect of the administration and management of all matters relating to the Company and its properties and operations.
- **Conflicts of Interest:** certain of the directors and officers of the Company are also directors and officers of other reporting issuers involved in mineral exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Company, as the case may be, and as officers and directors of such other companies.
- **No Dividends:** to date, the Company has not paid any dividends, and it is not anticipated that the Company will pay any dividends in the near future.
- **Changes in Legislation:** it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to mineral exploration companies and that any such changes could materially adversely affect the Company and the market value of the Company securities.
- **Early Stage Development Risks:** the Company has no history of operations and the Company is in the early stage of development and must be considered a start-up.
- **Future Financing Requirements:** the Company may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.

**Vanadium One Energy Corp.**  
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**ITEM 10 - Critical Accounting Estimates**

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102.

**Vanadium One Energy Corp.**  
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**ITEM 11 - Changes in Accounting Policies**

The Company would like to direct readers to its interim consolidated financial statements for the period ending August 31, 2018, which are incorporated by reference and can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

**Future accounting changes**

Explanations and descriptions of future accounting changes are presented in Note 6 to the interim consolidated financial statements for the period ended August 31, 2018.

**Vanadium One Energy Corp.**  
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**ITEM 12 - Financial Instruments and Other Instruments**

The Company is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1 paragraph 1.14.

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*(Expressed in Canadian dollars)*

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**ITEM 13 - Capital Structure**

The Company is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote.

As of the date of this Management Discussion and Analysis there were 34,475,576 post-consolidation common shares, 11,707,622 post-consolidation purchase share warrants and 2,650,000 post-consolidation share purchase options, all issued and outstanding.

**Consolidation**

On September 27, 2016, the Company filed articles of amendment consolidating its common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares. The Company's common shares began trading on a post consolidated basis on the Exchange on September 28, 2016. As a result of the consolidation, the Company's outstanding 139,307,795 pre-consolidated common shares were reduced to 13,930,773 post-consolidated common shares. No fractional shares were issued and any fractions of a share were rounded down to the nearest whole number of common shares. The Company's name and trading symbol remained unchanged.

**Debt Settlement:**

On September 27, 2016, in connection with the Company's effort to restructure, the Company negotiated debt settlement agreements with various creditors. The outstanding debt with the creditors was extinguished through reduction of current debt from approximately \$187,778.69 to \$130,000 and the issuance of shares on a post-consolidation basis (the "Debt Settlement"). The Company agreed to settle the reduced amount of the debt in exchange for the issuance of an aggregate of 650,000 post-consolidated common shares. The debt settlement was based on a deemed price of \$0.20 per share on a post-consolidated basis.

The Company issued the common shares for the Debt Settlement on September 28, 2016.

## Vanadium One Energy Corp. Management's Discussion & Analysis

(Expressed in Canadian dollars)

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### ITEM 14 - Subsequent events

- 1) On September 17, 2018, the Company announced the commencement of its Phase 2B drilling campaign at the Mont Sorcier Vanadium-Magnetite Project. The drill rig was mobilized on September 10, 2018 and drilling began on September 11, 2018. The Phase 2B plan is targeting approximately 2,000 meters of drilling in 10 new drill holes.
- 2) On September 26, 2018, the Company announced a proposed private placement to raise a total of \$1,000,000 in a combination of flow through shares and units.
- 3) On September 30, 2018, the Company concluded the drilling portion of its Phase 2B drill program at Mont Sorcier. A total of 2,046 meters of NQ core drilling was completed. Core logging and sampling is also completed. A total of 794 samples will be sent to an accredited laboratory within the next week.
- 4) Completion of the Company's Phase 2B Drill Program satisfies the final earn-in obligation for the acquisition of the Mont Sorcier claims. The earn-in calls for exploration expenditures of \$1,000,000 within 24 months of the signature date on the Purchase Agreement with Chibougamau Independent Mines Inc. Before laboratory assays, the Company has now spent in excess of \$1,150,000 in exploration on the Mont Sorcier claims. A final audit of the expenditures will occur in the coming days and at the conclusion of the audit, 100% of all 57 claims will be transferred to the Company.
- 5) On October 10, 2018, at a meeting of the Company's Board of Directors, several changes in Management and the Board occurred. Mr. Martin Walter was appointed to the office of CEO. Mr. John Priestner was appointed to the office of COO. Mr. Roger Dahn retired as a Director of the Company and Mr. Martin Walter was appointed to the Board of Directors. Mr. Ashley Martin was appointed as Vice President – Technical Services.
- 6) On October 10, 2018, the Board of Directors approved the establishment of an Advisory Council to work with the Executive of the Company. Mr. Roger Dahn was appointed as the first member of the Advisory Council.

Readers are encouraged to read and consider the risk factors, which are incorporated in this MD&A, and additional information regarding the Company, the SEDAR website at [www.sedar.com](http://www.sedar.com).

Signed: "John Priestner"

John Priestner  
Chief Executive Officer

Vanadium One Energy Corp.  
October 17, 2018  
Burlington, Ontario  
Canada