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TSX-V: "VRB"

PRODUCTION TECHNOLOGY AND SUPPLY AGREEMENT

VANCOUVER, BRITISH COLUMBIA - December 8, 2016, Vanadiumcorp Resource Inc. (TSX-V: "VRB") (the "Company") has completed an agreement with Encitech Ltd. for first right of refusal for patented WAVE technology and additional first right of refusal for exclusive supply of vanadium-bearing fly ash from the Alberta oil sands.

Encitech is located in Calgary, Alta., Canada, and is working on clean initiatives within the oil sands industry to convert waste from the oil sands into low-cost vanadium electrolyte (VE) for vanadium redox flow batteries (VRFB).

The "WAVE" (Waste Ash to Vanadium Electrolyte) process recovers high purity vanadium from oil sands to help Canada meet energy storage and renewable energy mandate. First phase testing has now commenced and is funded in part by the Canadian government. Encitech is has also initiated development of their vanadium electrolyte pilot plant, which would facilitate Alberta's climate change commitment by reducing wastes from the oil sands industry and transforming them into 100% reusable VE battery material. Encitech has acquired initial supply for testing purposes grading up to 7% V2O5. VanadiumCorp's FROR ensures this supply and future supply acquisition is secured for testing and eventual sale.

Adriaan Bakker, CEO of Vanadiumcorp states, "Low cost VRFB energy storage is an obvious solution for 292 remote, off grid communities in Canada burning an average of 10,000 tonnes of carbon from diesel fuel every year. Already competitive with lithium on a levelized cost basis, VRFBs could see further cost reduction with stable low cost VE production possible in Canada."

FOR MORE INFORMATION, CONTACT:

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Cautionary Note - The information in this news release includes certain "forward-looking statements" All statements, other than statements of historical fact, included herein including, without limitation, plans for and intentions with respect to the company's properties, statements regarding intentions with respect to obligations due for various projects, strategic alternatives, quantity of resources or reserves, timing of permitting, construction and production and other milestones, are forward looking statements. Statements concerning Mineral Reserves and Mineral Resources are also forward-looking statements in that they reflect an assessment, based on certain assumptions, of the mineralization that would be encountered and mining results if the project were developed and mined in the manner described. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This preliminary assessment is preliminary in nature; it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the preliminary assessment will be realized. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from VRB's expectations include the uncertainties involving the need for additional financing to explore and develop properties and availability of financing in the debt and capital markets; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of reserves and resources; the need for cooperation of government agencies and local groups in the exploration, and development of properties; and the need to obtain permits and governmental approval. VRB's forward looking statements reflect the beliefs, opinions and projections of management on the date the statements are made. VRB assumes no obligation to update the forward looking statements if management's beliefs, opinions, projections, or other factors should they change.