Vanadiumcorp Resource Inc.

CONSOLIDATED ANNUAL FINANCIAL REPORT

YEARS ENDED OCTOBER 31, 2018 AND 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Vanadiumcorp Resource Inc.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Vanadiumcorp Resource Inc., which comprise the consolidated statements of financial position as at October 31, 2018 and 2017, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada	*"Morgan & Company LLP"*
February 28, 2019	Chartered Professional Accountants

Vanadiumcorp Resource Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	October 31, 2018	October 31, 2017
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**40,201**	379,855
Receivables (Notes 4 and 12)	**127,040**	76,883
Short-term investments (Note 5)	**23,000**	23,000
Prepaid expenses	**25,757**	26,223
TOTAL CURRENT ASSETS	**215,998**	505,961
EQUIPMENT (Note 6)	**21,856**	24,164
EXPLORATION AND EVALUATION ASSETS (Note 7)	**3,414,913**	3,260,282
TOTAL ASSETS	**3,652,767**	3,790,407
LIABILITIES		
CURRENT LIABILITIES		
Trade payables and accrued liabilities (Notes 8 and 12)	**396,969**	223,221
Loans payable (Note 9)	**208,300**	–
TOTAL CURRENT LIABILITIES	**605,269**	223,221
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 10)	**29,187,582**	28,863,418
WARRANTS	**1,584,154**	1,629,069
SHARE-BASED PAYMENTS RESERVE	**10,735,762**	9,278,703
SUBSCRIPTIONS RECEIVABLE (Note 12)	**(14,509)**	(14,509)
DEFICIT	**(38,445,491)**	(36,189,495)
TOTAL SHAREHOLDERS' EQUITY	**3,047,498**	3,567,186
TOTAL LIABLIITIES AND SHAREHOLDERS' EQUITY	**3,652,767**	3,790,407

GOING CONCERN (Note 1)

These consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2019. They are signed on behalf of the Company by:

"Adriaan Bakker"	*"Stephen W. Pearce"*
Adriaan Bakker, Director	Stephen W. Pearce, Director

Vanadiumcorp Resource Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Years Ended October 31,	
	2018	2017
	$	$
ADMINISTRATIVE EXPENSES		
Consulting	**33,683**	58,482
Depreciation (Note 6)	**6,952**	5,738
Directors fees (Note 12)	**61,000**	24,000
Investor relations	**86,172**	26,693
Management fees (Note 12)	**60,000**	60,000
Office	**81,870**	75,604
Professional fees	**44,166**	71,036
Rent	**28,779**	26,617
Research and development (Note 13)	**203,387**	212,512
Salaries and wages (Note 12)	**147,459**	148,459
Shareholder communications	**15,936**	11,013
Share-based payments (Note 12)	**1,364,290**	–
Trade shows	**32,681**	9,632
Transfer agent and regulatory fees	**26,192**	19,231
Travel and entertainment	**63,307**	49,020
	(2,255,874)	(798,037)
OTHER ITEMS		
Option payment receivable on exploration and evaluation assets	**50,000**	50,000
Loss on disposition of available-for-sale investments	**–**	(6,846)
Write down of exploration and evaluation assets (Note 7)	**(50,122)**	–
	(122)	43,154
NET LOSS FOR THE YEAR	**(2,255,996)**	(754,883)
OTHER COMPREHENSIVE INCOME		
Unrealized gain on available-for-sale investments	**–**	4,600
	–	4,600
COMPREHENSIVE LOSS FOR THE YEAR	**(2,255,996)**	(750,283)
BASIC AND DILUTED LOSS PER SHARE	**(0.01)**	(0.00)
Weighted average number of common shares outstanding	**227,533,005**	213,072,682

Vanadiumcorp Resource Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended October 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Share Capital Shares	Share Capital Amount	Warrants	Share-based Payments Reserve	Subscriptions Receivable	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
		$	$	$	$	$	$	$
BALANCE, OCTOBER 31, 2016	206,670,195	28,184,197	1,924,179	8,584,477	(5,500)	(4,600)	(35,434,612)	3,248,141
Shares and warrants issued for cash	13,418,699	421,476	383,647	–	–	–	–	805,123
Share issuance costs	–	(4,776)	–	–	–	–	–	(4,776)
Exercise of warrants	2,829,904	350,150	(72,160)	–	(9,009)	–	–	268,981
Reallocation of fair value on expiry of warrants	–	–	(694,226)	694,226	–	–	–	–
Warrant modification	–	(87,629)	87,629	–	–	–	–	–
Other comprehensive income	–	–	–	–	–	4,600	–	4,600
Net loss for the year	–	–	–	–	–	–	(754,883)	(754,883)
BALANCE, OCTOBER 31, 2017	222,918,798	28,863,418	1,629,069	9,278,703	(14,509)	–	(36,189,495)	3,567,186
Exercise of warrants	6,107,878	519,779	(147,761)	–	–	–	–	372,018
Reallocation of fair value on expiry of warrants	–	–	(92,769)	92,769	–	–	–	–
Share-based payments	–	–	–	1,364,290	–	–	–	1,364,290
Warrant modification	–	(195,615)	195,615	–	–	–	–	–
Net loss for the year	–	–	–	–	–	–	(2,255,996)	(2,255,996)
BALANCE, OCTOBER 31, 2018	**229,026,676**	**29,187,582**	**1,584,154**	**10,735,762**	**(14,509)**	**–**	**(38,445,491)**	**3,047,498**

Vanadiumcorp Resource Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Years Ended October 31,	
	2018	2017
	$	$
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the year	**(2,255,996)**	(754,883)
Adjustments for non-cash items		
Depreciation	**6,952**	5,738
Share-based payments	**1,364,290**	–
Option payment receivable on exploration and evaluation assets	**(50,000)**	–
Write down of exploration and evaluation assets	**50,122**	–
Loss on disposition of available-for-sale investments	**–**	6,846
Net changes in non-cash operating accounts		
Receivables	**(157)**	27,785
Prepaid expenses	**466**	(9,769)
Trade payables and accrued liabilities	**100,121**	(117)
	(784,202)	(724,400)
INVESTING ACTIVITIES		
Proceeds from disposition of available-for-sale investments	**–**	3,094
Purchase of equipment	**(4,644)**	(12,495)
Exploration and evaluation expenditures	**(131,126)**	(104,235)
	(135,770)	(113,636)
FINANCING ACTIVITIES		
Shares issued and subscribed, net of issuance costs	**–**	800,347
Loans payable	**208,300**	–
Proceeds from exercise of warrants	**372,018**	268,981
	580,318	1,069,328
NET (DECREASE) INCREASE IN CASH	**(339,654)**	231,292
CASH, beginning of year	**379,855**	148,563
CASH, end of year	**40,201**	379,855
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Exploration and evaluation expenditures included in payables	**136,646**	63,018
SUPPLEMENTAL DISCLOSURES:		
Interest received	**224**	137
Interest paid	**–**	–
Income taxes paid	**–**	–

1. NATURE OF OPERATIONS AND GOING CONCERN

Vanadiumcorp Resource Inc. (the "Company") was incorporated on October 23, 1980 under the British Columbia Business Corporations Act and is engaged in the acquisition and exploration of mineral properties in Canada.

The Company's registered office is Suite 400 – 1505 West 2nd Avenue, Vancouver, British Columbia, V6H 3Y4.

The Company's mineral property interests have not reached the development stage or commercial production. To continue exploration programs, maintain its mineral property interests and develop future projects beyond the exploration stage, the Company will need additional funding.

These consolidated financial statements have been prepared on the assumption that the Company is a going concern which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has incurred significant losses and accumulated a deficit of $38,445,491 (2017 - $36,189,495) as at October 31, 2018. The ability of the Company to continue as a going concern is dependent on obtaining the financing necessary to continue operations and, ultimately, on attaining profitable operations. Funding for operations is raised primarily through share offerings. No provision has been made in these consolidated financial statements for any adjustments to the carrying value of exploration and evaluation and other assets should the Company not be able to continue as a going concern.

During the year ended October 31, 2018, the Company raised funds from issuance of shares and exercise of warrants. Although there is no certainty, management is of the opinion that additional funding for future projects and operations can be raised as needed. If the Company is unsuccessful in obtaining adequate financing in the future due to prolonged economic decline, exploration activities will be postponed until market conditions improve. These circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of these financial statements.

The consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2019.

b) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Pro Minerals Ltd., Power Vanadium Corporation, Prosperity Minerals Corporation, and Prestige Mining Corporation, all Canadian companies. All subsidiaries are 100% controlled by the Company. Intercompany transactions and balances have been eliminated upon consolidation.

2. BASIS OF PRESENTATION – CONTINUED

c) Basis of measurement, estimates, and significant judgments

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Elements of these consolidated financial statements subject to material estimation uncertainty include:

Valuation of stock options and warrants

In the preparation of these consolidated financial statements, management has estimated the fair value of stock options granted and warrants issued in private placements based on the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions including the expected price and volatility of the Company's stock. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options granted and warrants issued during the year.

Elements of these consolidated financial statements subject to significant judgment include:

Significant judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) going concern assessment;
ii) consideration of exploration and evaluation asset impairment criteria;
iii) the useful life and recoverability of equipment;
iv) recovery of amounts receivable; and
v) deferred income tax asset valuation allowances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Cash and cash equivalents

Cash consists of cash held in bank accounts. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company had no cash equivalents as at October 31, 2018 and 2017.

b) Foreign currency translation

Transactions in foreign currencies are translated to the presentation currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the presentation currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

c) Financial instruments

The Company's financial instruments consist principally of cash, receivables, short-term investments, trade payables, and loans payable.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

- Financial assets and liabilities held for trading are carried at fair value through profit or loss ("FVTPL"): A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial instruments in this category are recognized at fair value and subsequently carried at fair value. Gains and losses arising from changes in fair value are recorded in profit or loss in the period in which they arise.
- Available-for-sale investments: Available-for-sale investments are recognized at fair value and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss.
- Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

c) Financial instruments (continued)

- Financial liabilities at amortized cost: Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise trade payables and accrued liabilities. These liabilities are initially recognized on the trade date at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently carried at amortized cost using the effective interest rate method. The liabilities are derecognized when the Company's contractual obligations are settled, cancelled or expired.

d) Investments

All investments in which the Company is able to exercise significant influence are initially measured at cost and accounted for using the equity method of accounting. Investments in which the Company does not exercise significant influence are classified as held-for-trading or available-for-sale.

e) Impairment of assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Facts and circumstances as defined in *IFRS 6, Exploration for and Evaluation of Mineral Resources*, are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

e) Impairment of assets (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation assets is considered to be a cash generating unit.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in other comprehensive income (loss).

f) Exploration and evaluation assets

The Company is in the process of exploring mineral property interests in several locations in Canada. Title to mineral property interests may include options, leases, concessions, participating interests and direct title.

- Pre-exploration costs

Pre-exploration costs are costs incurred prior to the Company obtaining the right to explore and are expensed in the period in which they are incurred.

- Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as material used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain.

When a project is deemed to no longer have commercially viable prospects to the Company, capitalized exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those expenditures, in excess of estimated recoveries, are written-off to the statement of comprehensive loss. When a project has been established as commercially viable and technically feasible, the exploration and evaluation assets attributable to the project are first tested for impairment and then transferred to property and equipment.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration and evaluation activities are applied as a reduction to capitalized costs.

- Government assistance

The Company is eligible for a refundable tax credit on Canadian Exploration Expenditures, financed by treasury funds, other than flow-through shares financings, of up to 31%. This credit is recorded as a government grant against exploration and evaluation assets when there is reasonable assurance that the amounts claimed qualify and the amounts will be received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

g) Rehabilitation provisions

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is determined. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks and the change is recorded to profit and loss.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

As at October 31, 2018 and 2017, management is not aware of any reportable asset retirement obligations.

h) Equipment

Equipment is initially recorded at historical cost less accumulated depreciation and impairment losses. Depreciation is provided at various rates designed to depreciate the assets over their estimated useful lives. The annual depreciation rates are as follows:

Computer equipment	30%	Declining balance method
Office equipment	20%	Declining balance method
Website development costs	30%	Declining balance method

Equipment used in exploration activities, where substantially all the economic life or value of the asset is expected to be derived from a specific project, are accounted for as dedicated equipment and included as a separate category within the costs allocated to the related exploration stage mineral property interest. Depreciation of these assets would be provided over the estimated life based on utilization and charged to exploration costs of the related project.

Residual values and economic useful lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditure is recognized as repairs and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the statement of comprehensive loss.

i) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit and loss as incurred. To date, no development costs have been capitalized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

j) Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

k) Share capital

- Unit offerings

  The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from warrants to share capital. If the warrants expire unexercised, the applicable amounts are transferred from warrant capital to reserves.

- Flow-through shares

  The Company will from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

  The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as interest expense until paid.

l) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital, adjusted for any consideration paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

l) Share-based payments (continued)

The Company's stock option plan permits the Company to grant options to employees, consultants and directors when the number of shares that may be purchased under that option and all previously granted options does not exceed 10% of the issued and outstanding shares. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years.

m) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per share is computed by dividing net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. As the Company incurred a loss for the years ended October 31, 2018 and 2017, basic and diluted loss per share are the same.

n) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the statement of operations such as unrealized gains or losses on available-for-sale financial assets and liabilities.

o) Income taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

p) Risk management

The Company operates in the mining industry which is subject to environmental laws and regulations specific to countries in which exploration, development or mining is conducted. It is management's policy to review environmental compliance and exposure on an ongoing basis.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

p) Risk management (continued)

Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standard and specific project environmental requirements. However, there is no certainty that all environmental risks and contingencies have been addressed.

Although management has taken steps to verify title on the properties on which it conducts exploration and in which it has an interest, these procedures may not guarantee the Company's title. Property title may be at risk from unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements.

q) Recent accounting pronouncements

IFRS 9 - Financial Instruments. IFRS 9 establishes the requirements for recognizing and measuring financial assets and financial liabilities. This new standard is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Company has yet to assess the full impact of IFRS 9.

4. RECEIVABLES

	October 31, 2018	October 31, 2017
Sales tax receivable	**$ 62,441**	$ 66,100
Option payment receivable on exploration and evaluation assets	**50,000**	–
Amounts due from related parties (Note 12)	**14,599**	10,783
	$ 127,040	$ 76,883

5. SHORT-TERM INVESTMENTS

	October 31, 2018		October 31, 2017	
	Cost $	**Fair Value $**	Cost $	Fair Value $
Investments at fair value through profit or loss:				
Guaranteed investment certificate ("GIC") *	**23,000**	**23,000**	23,000	23,000
Total short-term investments	**23,000**	**23,000**	23,000	23,000

* The GIC is pledged as security for a credit card for Company expenditures.

(Expressed in Canadian Dollars)

6. EQUIPMENT

Cost	Computer equipment $	Office equipment $	Website development costs $	Total $
Balance, November 1, 2016	18,629	3,080	4,000	25,709
Additions	9,203	3,292	–	12,495
Balance, October 31, 2017	27,832	6,372	4,000	38,204
Additions	4,644	–	–	4,644
Balance, October 31, 2018	**32,476**	**6,372**	**4,000**	**42,848**
Accumulated depreciation				
Balance, November 1, 2016	4,997	1,097	2,208	8,302
Depreciation	4,642	558	538	5,738
Balance, October 31, 2017	9,639	1,655	2,746	14,040
Depreciation	5,633	943	376	6,952
Balance, October 31, 2018	**15,272**	**2,598**	**3,122**	**20,992**
Carrying amounts				
Balance, October 31, 2017	18,193	4,717	1,254	24,164
Balance, October 31, 2018	**17,204**	**3,774**	**878**	**21,856**

7. EXPLORATION AND EVALUATION ASSETS

A summary of changes in the Company's exploration and evaluation assets in Quebec is as follows:

	Iron-T Project $	Lac Dore Project $	Other Projects $	Total $
Balance, November 1, 2016	1,914,087	1,225,732	–	3,139,819
Exploration costs	–	120,463	–	120,463
Balance, October 31, 2017	1,914,087	1,346,195	–	3,260,282
Exploration costs	10,767	143,864	50,122	204,753
Write-down	–	–	(50,122)	(50,122)
Balance, October 31, 2018	**1,924,854**	**1,490,059**	**–**	**3,414,913**

The Company's mineral properties have either been ground staked, map staked or acquired through option agreements or purchase agreements.

7. EXPLORATION AND EVALUATION ASSETS – CONTINUED

a) Iron-T Vanadium Project

As at October 31, 2018, the property covers approximately 8,515 Hectares ("Ha"), located in Isle Dieu, Lozeau, Comporte and Galinee Townships in the province of Quebec and was acquired through a purchase and sale agreement and through staking.

Pursuant to a purchase and sale agreement dated February 1, 2008, as amended February 24, 2009 and August 21, 2009, wherein the Company acquired 100% interest in 17 mining claims situated in central Quebec west of the mining centre of Matagami, in exchange for $250,000 (paid) and 900,000 common shares (issued).

The vendors will receive a 3% net smelter return ("NSR") royalty of which the Company may purchase at its discretion, 1½% of the net smelter return royalty for $500,000. The Company also retains a first right of refusal on the balance of the net smelter return royalty.

During the year ended October 31, 2017, the Company entered into an agreement with Infinite Lithium Corp. to option out 60% interest in the Iron-T Vanadium project. In the year ended October 31, 2018, the agreement was terminated.

b) Lac Dore and Lac Dore North Vanadium Projects

As at October 31, 2018, the Lac Dore property covers approximately 672 Ha, and the Lac Dore North property contains a total of 30 mining titles, covering 519 Ha. Both properties are located in Lemoine and Rinfret Townships in the province of Quebec and were acquired through staking.

c) Chibougamau Copper/Gold Assemblage

As at October 31, 2017, the property covered approximately 5,173 Ha in the Chibougamau region in the Province of Quebec acquired through staking, purchase or option agreements. Pursuant to a purchase agreement dated July 8, 2004, wherein the Company acquired eight mining titles, the Company is committed to issue 50,000 shares upon receipt of the first positive geological report (no report to date). These eight claims are subject to a 2% NSR. The Company has the right to reduce this royalty to 1% by paying the vendor $500,000.

Pursuant to a purchase agreement dated July 8, 2004, wherein the Company acquired twenty-four mining titles, the Company is committed to issue 50,000 shares upon receipt of the first positive geological report (no report to date). These twenty-four mining titles are subject to a 2% NSR. The Company has the right to reduce this royalty to 1% by paying the vendor $500,000.

Pursuant to a purchase agreement dated August 25, 2004, wherein the Company acquired thirty-five mining titles, the Company is committed to issue 100,000 common shares upon receipt of a second positive geological report (no report to date) and 100,000 common shares upon receipt of a third positive geological report (no report to date). The claims are subject to a 3% NSR. The Company has the right to reduce this royalty by 1% by paying the vendor $500,000 and an additional 1% by paying $500,000.

Pursuant to a purchase agreement dated October 12, 2005, wherein the Company acquired four mineral claims, the Company was committed to pay $2,200 on or before the second anniversary of the TSX-V approval (paid March 2, 2010) and issue 22,500 common shares on or before the second anniversary of TSX-V approval (issued March 2, 2010). These claims are subject to a 2% NSR. The Company has the right to reduce this royalty to 1% by paying the vendor $110,000.

Pursuant to a purchase agreement dated October 12, 2005, wherein the Company acquired five mineral claims, the Company was committed to pay $2,800 on or before the second anniversary of the TSX-V approval (paid March 2, 2010) and issue 28,000 shares on or before the 2nd anniversary of TSX-V approval (issued March 2, 2010).

These claims are subject to a 2% NSR. The Company has the right to reduce this royalty to 1% by paying the optionor $110,000.

7. EXPLORATION AND EVALUATION ASSETS – CONTINUED

c) Chibougamau Copper/Gold Assemblage (continued)

During the year ended October 31, 2016, the Company wrote off $288,865 in costs associated with this property, as the Company is moving away from copper/gold projects in order to concentrate on its vanadium interests.

Pursuant to an agreement dated September 6, 2017 (the "Effective Date"), the Company has granted exclusive right and option to an arm's length third party, to acquire up to 100% undivided interest in the surface and mining rights and mining claims of the Chibougamau project.

Under the terms of the agreement, the third party is able to acquire an 80% undivided interest (the "First Option") in certain claims by:

(i) making payments of an aggregate of $200,000 to the Company as follows:

a. $50,000 in cash on the Effective Date of the agreement, being September 6, 2017 (paid);
b. an additional $50,000 in cash on or prior to the date that is 12 months from the Effective Date (not paid);
c. an additional $50,000 in cash on or prior to the date that is 24 months from the Effective Date;
d. an additional $50,000 in cash on or prior to the date that is 36 months from the Effective Date; and

(ii) incurring an aggregate of $500,000 in expenditures on the Chibougamau project on or before the date that is 36 months from the Effective Date.

Additionally, if the third party has exercised the First Option, they will have the additional exclusive right and option (the "Second Option"), exercisable any time prior to September 6, 2021, to acquire an additional 20% undivided interest in the Cornerback project, for a total interest of 100%, by paying the Company an additional $50,000 on or before September 6, 2021.

If at any time after the First Option has been exercised, commercial production commenced or announced, whichever occurs first, the third party shall make a one-time payment of $250,000 to the Company in cash.

Once the third party has exercised the Second Option, they shall grant the Company a 2% net smelter returns royalty on the Chibougamau project, which shall be subject to the right by the third party to repurchase one-half of the royalty (1%) for $1,000,000 and a right of first refusal on the royalty, regardless of whether the third party has exercised its repurchase right.

During the year ended October 31, 2017, the Company received $50,000 in option payments recognized in other items in the consolidated statements of comprehensive loss.

The third party also has the option to acquire 100% undivided interest in the surface and mining rights and certain mining claims for a cash payment of $50,000 on or before September 6, 2021.

d) Other properties

During the year ended October 31, 2018, the Company spent $50,122 (2017 – $Nil) in exploration costs on the Cornerback and Point After properties, located in the Province of Quebec, and wrote off these costs as the Company has no immediate plans for exploration for these properties.

(Expressed in Canadian Dollars)

8. TRADE PAYABLES AND ACCRUED LIABILITIES

		October 31, 2018		October 31, 2017
Trade payables	**$**	**225,240**	$	137,319
Amounts due to related parties (Note 12)		**115,645**		56,000
Accrued liabilities		**20,910**		24,410
Subscriptions refundable		**35,174**		5,492
	$	**396,969**	$	223,221

9. LOANS PAYABLE

During the year ended October 31, 2018, the Company issued unsecured, non-interest bearing loans of $208,300 (2017 – $Nil).

10. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without par value

During the year ended October 31, 2018:

During the year ended October 31, 2018, the Company issued 6,107,878 common shares pursuant to the exercise of share purchase warrants for gross proceeds of $372,018.

During the year ended October 31, 2017:

On April 18, 2017, the Company completed the first tranche of a private placement of 4,418,699 units at $0.06 per unit for total proceeds of $265,122. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional share at $0.10 per share until April 18, 2019. The Company recorded the relative fair value of the warrants at $127,512 using the Black-Scholes option pricing model. The fair value of the warrants at the time of issuance was estimated using the following weighted average market assumptions inputs: expected life 2 years; volatility 192%; dividend rate 0%, and risk-free rate 0.69%.

On May 23, 2017, the Company completed the second tranche of a private placement of 9,000,000 units at $0.06 per unit for total proceeds of $540,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional share at $0.10 per share until May 23, 2019. The Company recorded the relative fair value of the warrants at $256,135 using the Black-Scholes option pricing model. The fair value of the warrants at the time of issuance was estimated using the following weighted average market assumptions inputs: expected life 2 years; volatility 185%; dividend rate 0%, and risk-free rate 0.69%.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL – CONTINUED

Stock Options

The following table summarizes stock option transactions:

	Number of Options	Weighted Average Exercise Price $
Outstanding, October 31, 2016	15,980,000	0.10
Cancelled	(1,500,000)	0.10
Outstanding, October 31, 2017	14,480,000	0.10
Granted	11,800,000	0.12
Expired	(10,400,000)	0.10
Cancelled	(3,780,000)	0.10
Outstanding, October 31, 2018	**12,100,000**	**0.12**
Exercisable, October 31, 2018	**12,100,000**	**0.12**

The following table summarizes the stock options outstanding at October 31, 2018:

Number of Options Outstanding	Ranges of Exercise Price $	Expiry Date
100,000	0.10	February 11, 2019
200,000	0.10	June 18, 2019
11,800,000	0.12	February 26, 2023
12,100,000		

During the year ended October 31, 2018, the Company granted a total of 11,800,000 (2017 – Nil) stock options with an aggregate fair value of the vested options determined to be $1,364,290 (2017 - $Nil). Using the Black-Scholes option pricing model to estimate the fair value of stock options granted as at the date of grant, the Company determined the weighted average fair value of each option to be $0.12 (2017 - $Nil) per share. The fair values of the options were determined using the Black-Scholes option pricing model using the following assumptions:

	Risk-free interest rate	Dividend yield	Volatility factor	Expected option life
October 31, 2018	2.08%	0%	185%	5 years
October 31, 2017	-	-	-	-

As at October 31, 2018, the weighted average remaining contractual life of the stock options was 4.23 (2017 – 0.84) years and the weighted average exercise price was $0.12 (2017 - $0.10).

(Expressed in Canadian Dollars)

10. SHARE CAPITAL – CONTINUED

Share Purchase Warrants

The following table summarizes share purchase warrant transactions:

	Number of Warrants	Weighted Average Exercise Price $
Balance, October 31, 2016	68,853,149	0.09
Issued	13,418,699	0.10
Exercised	(2,829,904)	0.10
Expired	(22,712,457)	0.10
Balance, October 31, 2017	56,729,487	0.08
Exercised	(6,107,878)	0.06
Expired	(2,159,578)	0.06
Balance, October 31, 2018	**48,462,031**	**0.08**

The following table summarizes the share warrants outstanding and exercisable at October 31, 2018:

Number of Warrants Outstanding and Exercisable	Exercise Price $	Expiry Date
15,900,000	0.10	January 19, 2019
12,413,332	0.06	January 21, 2019
13,418,699	0.10	April 18, 2019 *
6,730,000	0.05	August 17, 2019
48,462,031		

* Subsequent to October 31, 2018, the Company extended the expiration date of these warrants by one year (Note 19 (c))

As at October 31, 2018, the weighted average remaining contractual life of the share purchase warrants was 0.37 (2017 – 1.15) years and the weighted average exercise price was $0.08 (2017 - $0.08).

11. RESERVES

Share-based payments reserve

The share-based payments reserve includes items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amounts are transferred to share capital.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

Transactions with related parties were at the amounts agreed to by the related parties. Related party transactions not otherwise disclosed in these consolidated financial statements were as follows:

a) During the year ended October 31, 2018, the Company paid a salary of $120,000 (2017 - $120,000) to the President of the Company.
b) During the year ended October 31, 2018, the Company incurred management fees of $60,000 (2017 - $60,000) to the Chief Financial Officer of the Company.
c) Included in receivables at October 31, 2018 is $14,599 (2017 - $10,783) owed from directors and officers.
d) Included in trade payables and accrued liabilities at October 31, 2018 is $115,645 (2017 – $56,000) owing to directors and officers.
e) Included in share subscriptions receivable is $5,500 (2017 - $5,500) owed from a director and officer.
f) During the year ended October 31, 2018, the Company incurred directors fees of $61,000 (2017 - $24,000).
g) During the year ended October 31, 2018, the Company recorded share-based payments for options granted to directors and officers totalling $809,325 (2017 - $Nil).

In the normal course of business, the Company advances and/or reimburses directors and officers for expenses incurred on the Company's behalf. Amounts due to and from related parties are non-interest bearing, unsecured and due on demand.

Key management personnel compensation

Key management includes the Company's executive directors and officers.

	Years ended	
	October 31, 2018	October 31, 2017
Short-term employee benefits – management fees, consulting fees and salaries	**$ 180,000**	$ 180,000
Directors fees	**61,000**	24,000
Share-based payments	**809,325**	-
	$ 1,050,325	$ 204,000

13. RESEARCH AND DEVELOPMENT

	Years ended	
	October 31, 2018	October 31, 2017
Research and development	**$ 203,387**	$ 212,512

Research and development expenses mostly relate to fees paid to a Quebec-based industrial company, Electrochem Technologies & Materials Inc. (Electrochem). In February 2017, the Company entered into an agreement with Electrochem to collaborate on metallurgical and electrochemical technologies to produce vanadium electrolyte ("VE") directly from Vanadiferous Titaniferous Magnetite concentrate. The Company and Electrochem each have a 50% ownership interest in the new intellectual property developed.

(Expressed in Canadian Dollars)

14. RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

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 exposure to credit risk is in its cash and cash equivalents and receivables. Cash and term deposits are held with major brokerage houses and major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. At October 31, 2018, the Company's receivables comprise of $62,441 (2017 - $66,100) due from government agencies, $50,000 (2017 - $Nil) receivable in relation to an option payment on the Company's exploration and evaluation assets, and $14,599 (2017 - $10,783) due from related parties. Credit risk is determined to be low.

Currency Risk

The Company's functional currency is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term deposits at prescribed market rates. The fair value of the Company's cash and cash equivalents are not significantly affected by changes in short-term interest rates. The income earned from bank accounts and short-term deposits is subject to movements in interest rates.

Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash and cash equivalents to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

Market Risk

All available-for-sale securities are subject to price and market volatility.

Classification of financial instruments

Financial assets included in the statements of financial position are as follows:

	October 31, 2018	October 31, 2017
Fair value through profit or loss:		
Cash	**$ 40,201**	$ 379,855
Short-term investments	**23,000**	23,000
Loans and receivables:		
Receivables	**127,040**	76,883
	$ 190,241	$ 479,738

(Expressed in Canadian Dollars)

14. RISK MANAGEMENT – CONTINUED

Financial liabilities included in the statements of financial position are as follows:

	October 31, 2018	October 31, 2017
Non-derivative financial liabilities:		
Trade payables and other liabilities	**$ 396,969**	$ 223,221
Loans payable	**208,300**	-
	$ 605,269	$ 223,221

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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 following is an analysis of the Company's financial assets measured at fair value as at October 31, 2018 and 2017:

	As at October 31, 2018		
	Level 1	**Level 2**	**Level 3**
Cash	**$ 40,201**	**$ -**	**$ -**
Short-term investments	**23,000**	**-**	**-**
	$ 63,201	**$ -**	**$ -**

	As at October 31, 2017		
	Level 1	Level 2	Level 3
Cash	$ 379,855	$ -	$ -
Short-term investments	23,000	-	-
	$ 402,855	$ -	$ -

15. CAPITAL MANAGEMENT

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity placements. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses.

Other than circumstances arising from the global financial markets, there were no changes in the Company's approach to capital management for the year ended October 31, 2018, compared to the year ended October 31, 2017. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

16. CONTINGENCIES

A legal claim against the Company's directors, and numerous other parties, by the former CEO for wrongful dismissal and defamation during the Company's proxy contest in 2013 has been commenced. The action is considered to be without merit and the action is being vigorously defended. The outcome of this legal action is not determinable and an estimate of any contingent loss arising from this action cannot be made.

17. SEGMENTED INFORMATION

The Company operates in one segment – the acquisition, exploration and evaluation of mineral properties. As at October 31, 2018 and 2017, all the operations and assets were in Canada.

18. INCOME TAXES

Reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2017 – 26%) to the effective tax rate:

	October 31, 2018 $	October 31, 2017 $
Expected income tax recovery at statutory rates	**609,000**	196,000
Non-deductible items and permanent differences	**(368,000)**	(2,000)
Change in estimate and other	**(3,000)**	37,000
Change in deferred tax assets not recognized	**(238,000)**	(231,000)
Deferred income tax recovery	**–**	–

As at October 31, 2018, the Company has unused non-capital losses of approximately $13,872,000 that are available to offset future income for income tax purposes. The benefit of these tax losses has not been recognized in these consolidated financial statements.

These losses expire as follows:

2026	$ 1,914,000
2028	1,112,000
2029	1,399,000
2030	1,786,000
2031	1,884,000
2032	1,356,000
2033	1,541,000
2034	378,000
2035	548,000
2036	517,000
2037	809,000
2038	849,000
	$ 14,093,000

(Expressed in Canadian Dollars)

18. INCOME TAXES – CONTINUED

The significant components of the Company's deferred tax assets were as follows:

Deferred income taxes assets:	**October 31, 2018 $**	October 31, 2017 $
Exploration and evaluation assets	**329,000**	316,000
Losses available for future periods	**4,082,000**	3,853,000
Equipment	**6,000**	4,000
Share issue costs	**4,000**	10,000
Other temporary differences	**62,000**	62,000
	4,483,000	4,245,000
Unrecognized deferred tax assets	**(4,483,000)**	(4,245,000)
Deferred income tax assets	**-**	-

19. SUBSEQUENT EVENTS

Subsequent to October 31, 2018:

a) 15,010,476 share purchase warrants were exercised for gross proceeds of $938,800, $208,300 of which were received during the year as loans payable (Note 9).

b) the Company granted 9,500,000 stock options to directors and officers of the Company and 2,400,000 stock options to employees and consultants of the Company exercisable at $0.07 per share for a period of five years.

c) the Company amended the terms of an aggregate of 13,418,699 common share purchase warrants issued pursuant to a non-brokered private placement which closed on April 8, 2017. The warrants originally issued had an exercise price of $0.10 per common share and were set to expire on April 18, 2019. These warrants were amended to extend the expiry date to April 8, 2020.

d) 14,252,856 share purchase warrants expired unexercised and 100,000 stock options expired unexercised.

e) on November 23, 2018, the Company signed a Patent Option Agreement ("POA") for Ultra Power Systems Pty Ltd. ("Ultra") to purchase an exclusive license. Ultra plans to utilize the Australian license of VanadiumCorp-Electrochem Chemical Process Technology ("VEPT") to expedite construction of the world's first dedicated vanadium processing facility. Key aspects of the signed POA include the following terms with all financial considerations split evenly between the Company and Electrochem:

   i) USD $500,000 payment;
   ii) Non-reimbursable down payment received upon signed of the POA;
   iii) 6-month option to acquire the exclusive license of VEPT for the jurisdiction of Australia Territory; and
   iv) Definitive license terms in the POA include minimum annual payment, financing fees, and a gross royalty due upon production, applicable to all vanadium products, ferrous sulfate heptahydrate (copperas), titanium products, and other by-products for a project duration of 25 years.