VanadiumCorp Resource Inc.

CONSOLIDATED FINANCIAL STATEMENTS

For The Years Ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Vanadiumcorp Resource Inc.

Opinion

We have audited the consolidated financial statements of Vanadiumcorp Resource Inc. (the "Group"), which comprise the consolidated statements of financial position as at October 31, 2023 and October 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at October 31, 2023 and October 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

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

- Management's Discussion and Analysis

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
February 28, 2024

VanadiumCorp Resource Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,	**October 31, 2023 $**	October 31, 2022 $
Assets		
Current		
Cash	**513,682**	614,007
Restricted cash	**285,000**	-
Receivables (Notes 4 and 12)	**180,870**	72,382
Prepaid and advances (Note 5)	**164,725**	17,385
	1,144,277	703,774
Non-Current		
Equipment (Note 6)	**174,222**	17,324
Deposits (Note 5)	**557,644**	-
Patent (Note 8)	**336,000**	350,000
Exploration and evaluation assets (Note 7)	**6,602,423**	6,005,921
Total assets	**8,814,566**	7,077,019
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 9 and 12)	**814,814**	1,027,247
Loans payable (Notes 10 and 12)	**154,461**	202,106
Flow-through share premium liability (Note 11)	**-**	63,159
	969,275	1,292,512
Non-Current		
Deferred government grant (Note 13)	**88,000**	-
Long-term portion of loans payable (Note 10)	**617,690**	-
Total liabilities	**1,674,965**	1,292,512
Equity		
Share capital (Note 11)	**38,421,560**	36,502,576
Unit subscriptions received (Note 20)	**730,500**	-
Warrants	**241,900**	19,900
Contributed surplus	**13,201,640**	12,971,183
Accumulated deficit	**(45,455,999)**	(43,709,152)
Total equity	**7,139,601**	5,784,507
Total liabilities and equity	**8,814,566**	7,077,019

Approved on behalf of the Board of Directors on February 28, 2024:

"Paul McGuigan"	*"Stephen Pearce"*
Director	Director

See accompanying notes to these consolidated financial statements

VanadiumCorp Resource Inc.
Statements of Loss and Comprehensive Loss
For The Years Ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
	$	$
Expenses:		
Amortization (Note 8)	**14,000**	-
Consulting (Note 12)	**604,575**	465,433
Depreciation (Note 6)	**22,792**	6,804
Electrolyte start-up costs (Note 13)	**44,979**	-
Foreign exchange (gain)/loss	**(900)**	1,010
General land claim payments	**1,576**	-
Interest (Note 10)	**21,837**	28,272
Management fees (Note 12)	**207,740**	22,000
Marketing and corporate development	**166,984**	13,881
Office (Note 12)	**123,916**	78,254
Professional fees	**191,927**	184,252
Research and development (Note 13)	**55,423**	21,448
Salaries and wages (Note 12)	**32,324**	53,670
Shareholder communications	**4,259**	43,476
Share-based compensation (Notes 11 and 12)	**220,697**	-
Transfer agent and regulatory fees	**39,099**	29,118
Travel and entertainment	**67,680**	3,241
	(1,818,908)	(950,859)
Other items:		
Loss on write-off of leasehold improvements (Note 6)	**(1,098)**	-
Recovery on flow-through liability (Note 11)	**73,159**	32,708
Net loss and comprehensive loss for the year	**(1,746,847)**	(918,151)
Basic and diluted loss per share	**(0.03)**	(0.03)
Weighted average number of shares outstanding	**57,162,800**	33,194,553

VanadiumCorp Resources Inc.
Consolidated Statements of Changes in Equity
For The Years Ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Share Capital			Contributed	Unit		
	Number of Shares	Amount $	Warrants $	Surplus $	Subscriptions Received $	Accumulated Deficit $	Total $
Balance - October 31, 2021	31,925,110	35,342,785	19,900	12,953,503	-	(42,791,001)	5,525,187
Units issued for cash	12,193,333	1,315,200	-	-	-	-	1,315,200
Broker warrants issued	-	(17,680)	-	17,680	-	-	-
Flow-through share premium	-	(95,867)	-	-	-	-	(95,867)
Share issuance costs	-	(41,862)	-	-	-	-	(41,862)
Net loss for the year	-	-	-	-	-	(918,151)	(918,151)
Balance - October 31, 2022	44,118,443	36,502,576	19,900	12,971,183	-	(43,709,152)	5,784,507
Units issued for cash	21,957,900	2,205,790	-	-	-	-	2,205,790
Residual value of warrants in units issued	-	(222,000)	222,000	-	-	-	-
Broker warrants issued	-	(9,760)	-	9,760	-	-	-
Flow-through share premium	-	(10,000)	-	-	-	-	(10,000)
Share issuance costs	-	(45,046)	-	-	-	-	(45,046)
Unit subscriptions received	-	-	-	-	730,500	-	730,500
Share-based compensation	-	-	-	220,697	-	-	220,697
Net loss for the year	-	-	-	-	-	(1,746,847)	(1,746,847)
Balance - October 31, 2023	**66,076,343**	**38,421,560**	**241,900**	**13,201,640**	**730,500**	**(45,455,999)**	**7,139,601**

* Effective April 18, 2022, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis.
All reference to common shares, warrants and stock options prior to this date in these financial statements have been adjusted to reflect the change.

VanadiumCorp Resource Inc.
Consolidated Statements of Cash Flows
For The Years Ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023 $	2022 $
Cash flows from operating activities:		
Net loss for the year	**(1,746,847)**	(918,151)
Adjustments for items not affecting cash:		
Amortization	**14,000**	-
Depreciation	**22,792**	6,804
Loss on write-off of leasehold improvements	**1,098**	-
Recovery on flow-through liability	**(73,159)**	(32,708)
Share-based compensation	**220,697**	-
	(1,561,419)	(944,055)
Net change in non-cash working capital items:		
Receivables	**(20,488)**	(23,835)
Prepaid and advances	**(147,340)**	17,383
Accounts payable and accrued liabilities	**(305,332)**	339,487
Cash used in operating activities	**(2,034,579)**	(611,020)
Investing activities		
Purchase of equipment	**(180,788)**	(2,569)
Deposits	**(557,644)**	-
Exploration and evaluation expenditures, net	**(473,603)**	(131,709)
Cash used in investing activities	**(1,212,035)**	(134,278)
Financing activities		
Redemption of short-term investments	-	23,000
Units issued, net of issuance costs	**2,130,744**	1,273,338
Units subscribed	**710,500**	-
Loans received	**775,000**	303,856
Loans repaid	**(184,955)**	(270,000)
Cash from financing activities	**3,431,289**	1,330,194
Change in cash during the year	**184,675**	584,896
Cash - beginning of year	**614,007**	29,111
Cash - end of year	**798,682**	614,007
Cash is comprised of:		
Cash	**513,682**	614,007
Restricted cash	**285,000**	-
	798,682	614,007
Non-cash investing and financing activities:		
Exploration and evaluation expenditures included in payables	**170,469**	47,570
Fair value of broker warrants	**9,760**	17,680
Residual value of warrants	**222,000**	-
Units issued for settlement of accounts payable	**30,000**	-
Units subscribed for settlement of loan payable	**20,000**	-

See accompanying notes to these consolidated financial statements

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 Québec and the proposed production of vanadium electrolyte in Québec.

The Company's registered office is Suite 2110 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4N8, Canada.

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. Further, the Company's electrolyte production facility in Quebec that is currently under procurement and assembly will also require the Company to secure additional funding.

These consolidated financial statements have been prepared on the assumption that the Company is a going concern that contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has incurred a net loss of $1,746,847 (2022 - $918,151) during the year ended October 31, 2023 and, as of that date, has accumulated a deficit of $45,455,999 (2022 - $43,709,152). 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. Such adjustments could be material.

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, market disruptions, or other reasons, exploration activities and production of vanadium electrolyte will be postponed until market conditions improve. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreement, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These material uncertainties, circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2024.

2. BASIS OF PRESENTATION – CONTINUED

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, and VanadiumCorp GmbH ("GmbH"), a German company. A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All subsidiaries are 100% controlled by the Company. Intercompany transactions and balances have been eliminated upon consolidation.

GmbH is the only active subsidiary and is engaged in the development of future sales of vanadium electrolyte from the Company's proposed production facilities. During fiscal period 2023 and 2022, GmbH incurred $Nil sales. GmbH's operating and administration expenses/(recovery) totaling $45,014 (2022 – ($3,001)) are consolidated with the Company's expenses.

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.

These consolidated financial statements include estimates that, 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:

i) 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:
Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

2. BASIS OF PRESENTATION – CONTINUED

c) Basis of measurement, estimates, and significant judgments (continued)

ii) Consideration of exploration and evaluation asset impairment criteria:
Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including exploration budgets, geologic and metallurgic information, economics assessments/studies, accessible facilities, existing permits, and the ability to continue exploration.

iii) Impairment of patent:
The Company reviews and assesses the carrying amount of its patent for indicators of impairment when facts or circumstances suggest that the carrying amount is not recoverable. If impairment is indicated, the amount by which the carrying value of the assets exceeds the estimated fair value is charged to profit or loss.

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

Cash consists of cash held in bank accounts. For purposes of the consolidated statements 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, 2023 and 2022.

b) Foreign currency translation

Transactions in foreign currencies are translated to the functional 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 functional 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets/ liabilities	
Cash	FVTPL
Restricted cash	FVTPL
Receivables	Amortized cost
Accounts payables and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Measurement

<u>Financial assets at FVTOCI</u>

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

<u>Financial assets and liabilities at amortized cost</u>

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

<u>Impairment of financial assets at amortized cost</u>

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

c) Financial instruments (continued)

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on the derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Fair value of financial instruments

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.

d) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

d) Impairment of assets (continued)

Impairment tests on intangible assets and patents 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; and
- sufficient data exists to indicate that, although 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's CGU, 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 CGU.

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

e) Exploration and evaluation assets

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

(i) 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.

(ii) 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 the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

e) Exploration and evaluation assets (continued)

(ii) Exploration and evaluation expenditures (continued)

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 be no longer viable 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 profit or 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.

(iii) 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. 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.

Other grants or assistance is recognized when there is reasonable assurance that the funds will be received and all conditions of the assistance will be met. Claims under assistance programs related to income are recorded as a reduction of the related expense in the period in which eligible expenses were incurred or when the services have been performed.

f) 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 or 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, 2023 and 2022, management was not aware of any reportable asset retirement obligations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

g) 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
Field/lab equipment	20%	Declining balance method
Office furniture	20%	Declining balance method
Website development costs	30%	Declining balance method
Leasehold improvement costs		Straight-line basis over 5 years

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 consolidated statement of comprehensive loss.

h) Patent

A patent consists of patent rights and applications. Patents with finite useful lives are measured at cost less accumulated amortization and impairment losses. Patents are amortized on a straight-line basis over the estimated useful life, being the life of the patent applications, which is twenty years from the date of application, once the patent has been granted.

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 or loss as incurred. To date, no development costs have been capitalized.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

k) Share capital

(i) Unit offerings

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the unit pricing date, with the residual amount of proceeds, if any, allocated to contributed surplus for warrants.

(ii) 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 contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. On expiration of options, the previously recognized amount is left in contributed surplus.

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 five 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, 2023 and 2022, basic and diluted loss per share are the same.

n) 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.

o) New accounting standards issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

o) New accounting standards issued but not yet effective (continued)

Disclosure of accounting policies (Amendments to International Accounting Standard ("IAS") 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments)

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. These amendments are expected to reduce the disclosure of accounting policies for the Company.

Amendments to IAS 8 – Definition of accounting estimates

IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS 8") was amended in February 2021. The IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates.

These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to have a material impact on the Company.

(Expressed in Canadian Dollars)

4. RECEIVABLES

		October 31, 2023		October 31, 2022
Sales tax receivable	$	**64,511**	$	71,023
Amount due from related party (Note 12)		**1,359**		1,359
Government grant receivable (Note 13)		**115,000**		-
Total	$	**180,870**	$	72,382

5. PREPAID, ADVANCES, AND DEPOSITS

		October 31, 2023		October 31, 2022
Current				
Prepaid expenses	$	**89,960**	$	3,385
Advances to related parties		**74,564**		14,000
		164,725		17,385
Long-term				
Deposits		**557,644**		-
Total	$	**722,369**	$	17,385

Long-term deposits relate to deposits made on purchase of field/lab equipment to be delivered in the future.

6. EQUIPMENT

	Computer Equipment $	Office Furniture $	Field/Lab Equipment $	Leasehold Improvement $	Website Development $	Total $
Cost:						
At October 31, 2021	38,343	6,371	-	3,377	18,933	67,024
Additions	2,569	-	-	-	-	2,569
At October 31, 2022	40,912	6,371	-	3,377	18,933	69,593
Disposal - write-off	-	-	-	(3,377)	-	(3,377)
Additions	-	-	180,788	-	-	180,788
At October 31, 2023	40,912	6,371	180,788	-	18,933	247,004
Depreciation:						
At October 31, 2021	29,675	4,440	-	1,603	9,747	45,465
Depreciation	2,986	386	-	676	2,756	6,804
At October 31, 2022	32,661	4,826	-	2,279	12,503	52,269
Disposal - write-off	-	-	-	(2,279)	-	(2,279)
Depreciation	2,475	309	18,079	-	1,929	22,792
At October 31, 2023	35,136	5,135	18,079	-	14,432	72,782
Net book value:						
At October 31, 2022	8,251	1,545	-	1,098	6,430	17,324
At October 31, 2023	**5,776**	**1,236**	**162,709**	**-**	**4,501**	**174,222**

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

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

	Iron-T $	Lac Dore $	Total $
Balance, October 31, 2021	**1,946,797**	**3,897,060**	**5,843,857**
Exploration costs:			
Consulting	89,439	138,939	228,378
Field work	25,700	25,701	51,401
Government tax credit	(2,921)	(114,794)	(117,715)
Total during the year	112,218	49,846	162,064
Balance, October 31, 2022	**2,059,015**	**3,946,906**	**6,005,921**
Exploration costs:			
Bulk sampling	10,693	-	10,693
Camp costs	3,655	-	3,655
Claims/permits	47,322	29,149	76,471
Consulting	37,096	61,524	98,620
Engineering/reports	90,465	88,650	179,115
Equipment/other rentals	34,509	31,856	66,365
Field costs/exploration	23,414	56,400	79,814
Freight/transport	10,915	521	11,436
Geophysical & mapping	3,758	19,028	22,786
Supplies	5,391	26,787	32,178
Telecommunications	800	-	800
Travel & accommodation	14,569	-	14,569
Total during the year	282,587	313,915	596,502
Balance, October 31, 2023	**2,341,602**	**4,260,821**	**6,602,423**

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

a) Iron-T Vanadium Project

The property is located in Isle Dieu, Lozeau, Comporte and Galinee Townships in the Province of Québec 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, the Company acquired 100% interest in 17 mining claims situated in central Québec west of the mining centre of Matagami, in exchange for $250,000 (paid) and 90,000 common shares (issued). The Company has since staked more claims bringing the total to 86 claims for an aggregate area of 4,789 Ha.

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.

7. EXPLORATION AND EVALUATION ASSETS – CONTINUED

b) Lac Doré Project

The Lac Doré Project comprises two claim blocks, referred to as Lac Doré Main and Lac Doré North. The Lac Doré Main and Lac Doré North claims were acquired through staking.

c) Chibougamau Copper/Gold Assemblage

The property is located in the Chibougamau region in the Province of Québec acquired through staking, purchase or option agreements.

Pursuant to an agreement dated September 6, 2017, 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.

The third-party has exercised the First and Second Option and now retains a 100% undivided interest in the property.

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.

8. PATENT

On November 10, 2020, the Company executed a patent purchase agreement ("PPA") with Electrochem Technologies and Materials Inc. ("Electrochem") to acquire all patent rights for the VanadiumCorp-Electrochem Processing Technology ("VEPT") including the entire intellectual property portfolio.

Electrochem has assigned its interest in the technology to the Company under the following terms:

1. Electrochem has received a cash payment of $350,000 and will also be entitled to royalties on production equivalent to three percent (3%) for every plant using the VEPT worldwide. The Company will have the option to buy back each one-half percent (0.5%) for US $1,000,000 up to the full three percent for US $6,000,000.
2. Electrochem will remain the exclusive contractor/consultant for the continued development of VEPT subject to standard work agreements, budgets and approvals.
3. Electrochem will undertake test work for other companies wishing to utilize the VEPT process, provided the other companies understand that licensing will ultimately be required and negotiated on reasonable terms with the Company.

The Company is now 100% owner of VEPT Patent Rights and the entire Intellectual Property Portfolio including all patent applications in key jurisdictions related to the International Patent Cooperation Treaty Application entitled "Metallurgical and Chemical Process for Recovering Vanadium and Iron Values from Vanadiferous Titanomagnetite".

At October 31, 2023, two out of six patent rights were granted. Subsequent to year end, a third patent was granted. The patent is effective for twenty (20) years from the date of application. $14,000 (2022 – $Nil) of amortization expense was recorded in the year ended October 31, 2023. At October 31, 2023 and 2022, no impairment was recorded for the patent.

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		October 31, 2023		October 31, 2022
Trade payable	**$**	**348,595**	$	379,251
Amounts due to current & former related parties (Note 12)		**386,077**		567,383
Accrued liabilities		**46,000**		50,000
Payroll liabilities		**2,975**		-
Loans interest payable (Note 10)		**31,167**		30,613
Total	**$**	**814,814**	$	1,027,247

10. LOANS PAYABLE

During fiscal 2021, the Company entered into five (5) loan agreements totaling $81,000 with arm's length third parties. The loans are non-secured and carry interest at 10% per annum payable on maturity dated July 31 to September 10 of 2023.

During fiscal 2021, three directors of the Company advanced loans totaling $87,250. The loans are non-secured, carry interest at 10% per annum and are payable on demand.

	Current $	Non-Current $	Due Date
Balance - October 31, 2021	**87,250**	**81,000**	**On demand or due in 2023**
Insider loans	303,856	-	On demand
Insider loans repaid	(270,000)	-	
Reclassify to current	81,000	(81,000)	Due in 2023
Balance - October 31, 2022	**202,106**	**-**	**On demand or due in 2023**
Repaid:			
Insider loans repaid	(118,106)	-	
Third party loans repaid	(68,500)	-	
	15,500	**-**	**On demand**
New Loan:			
Key West Ford loan	157,310	617,690	April 15, 2028
Repaid	(18,349)	-	
	138,961	**617,690**	**April 15, 2028**
Balance - October 31, 2023	**154,461**	**617,690**	

During fiscal 2022, two directors of the Company that previously advanced loans in 2021 advanced further loans totaling $303,856. These same two directors were repaid $270,000 in 2022.

As at October 31, 2022, $121,106 in remaining loans from directors are non-secured and payable on demand. $21,106 carry interest at 10% per annum and $100,000 is interest free.

10. LOANS PAYABLE - CONTINUED

During fiscal 2023, the remaining $118,106 of insider loans was repaid leaving $3,000 owing to a former director of the Company. This amount is withheld by the Company against any future claims against the former director.

During fiscal 2023, of the $81,000 loans advanced in 2021, $68,500 in third party loans was repaid leaving $12,500 owing to a remaining third party. The Company has been unsuccessful in trying to contact this third party through known associates and the next of kin to the third party.

As at October 31, 2023, loan interest payable of $23,790 (2022 - $30,613) is included in accounts payable.

On September 15, 2023, management entered into a Financing Agreement with Key West Ford Finance ("Key West") in which the Company received $775,000 ("Loan Amount") to facilitate the Company to complete the purchase of an electrolyte equipment. Principal Amount to be repaid is $800,000 consisting of the Loan Amount plus an origination fee of $25,000.

Interest shall accrue on the Principal Amount at a rate of 9.9% per annum. Period of repayment of principal and interest is 55 months consisting of 54 monthly payments of $18,349 (plus applicable taxes). First payment is due upon signing of the Financing Agreement. Payment in the 55th month is $1 (one dollar).

As security, the Company has pledged to Key West, a list of electrolyte and related equipment that is now owned or expected soon to be purchased by the Company.

The Company is entitled to repay the outstanding Principal Amount with any accrued interest at any time without fee or penalty.

As at October 31, 2023, the secured loan amount outstanding is $756,651 (2022 - $Nil) and the interest accrued for the month of October 2023 is $7,377 and is included within accounts payable and accrued liabilities (2022 - $Nil).

11. SHARE CAPITAL

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

Share Consolidation:

Effective April 18, 2022, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis. All references to common shares, warrants and stock options prior to this date in these consolidated financial statements have been adjusted to reflect the change.

Issued:

As at October 31, 2023, there were 66,076,343 (2022: 44,118,443) shares issued and outstanding.

During the year ended October 31, 2023:

In May 2023, the Company issued 16,329,400 units ("Units") at a price of $0.10 per Unit for gross proceeds of $1,632,940, in which $1,602,940 was received in cash and $30,000 was for settlement of accounts payable.

11. SHARE CAPITAL – CONTINUED

Issued: (continued)

- Each Unit consisted of one common share of the Company and one share purchase warrant exercisable to purchase an additional common share of the Company at $0.18 for 24 months from the date of issue.

  Seven insiders of the Company subscribed for a total of $387,940 or 3,879,400 Units.

  A cash commission of $24,400 was paid along with other share issuance costs of $11,206 and 244,000 non-transferable broker warrants were issue on the same exercise terms as the Unit warrants.

  The fair value of the 244,000 broker warrants was estimated at $9,760 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of $0.10, expected volatility - 94% (based on historical volatility), risk-free interest rate – 3.65%, exercise price of $0.18 and an expected life of 2 years.

  The residual value of warrants in these Units amounted to $166,000 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

In November 2022, the Company issued 500,000 flow-through units (“FT Units”) at a price of $0.12 per FT Unit for gross proceeds of $60,000 and 5,128,500 non-flow-through units (“Units”) at a price of $0.10 per Unit for gross proceeds of $512,850.

- Each FT Unit consisted of one flow-through common share of the Company and one non-flow through common share purchase warrant (the “NFT Warrant”) with each NFT Warrant exercisable to purchase an additional non-flow-through common share of the Company at $0.18 for 24 months from the date of issue.

  The 500,000 FT Units were subscribed by a director of the Company.

  The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $10,000 and was recorded as a share capital reduction with an equivalent amount as a flow-through share premium liability in the statement of financial position. As at October 31, 2023, based on exploration expenditures incurred, $73,159 was recognized as a settlement of the flow-through premium leaving a $Nil balance as a flow-through share premium liability.

  The residual value of warrants in these FT Units amounted to $5,000 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

- Each Unit consisted of one common share of the Company and one share purchase warrant with the same terms as the NFT Warrant.

  A director and two companies controlled by two directors subscribed an aggregate of 2,250,000 Units for total proceeds of $225,000.

  The Company incurred share issuance costs of $9,440 in connection with the financing.

11. SHARE CAPITAL – CONTINUED

Issued: (continued)

The residual value of warrants in these Units amounted to $51,000 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

During the year ended October 31, 2022:

In September 2022, the Company issued 4,793,333 flow-through units ("FT Units") at a price of $0.12 per FT Unit for gross proceeds of $575,200. The Company also issued 7,400,000 non-flow-through units ("Units") at a price of $0.10 per Unit for gross proceeds of $740,000.

- Each FT Unit consisted of one flow-through common share of the Company and one non-flow through common share purchase warrant (the "NFT Warrant") with each NFT Warrant exercisable to purchase an additional non-flow-through common share of the Company at $0.18 for 24 months from the date of issue.

  A cash commission of $34,512 was paid and 287,600 non-transferable broker warrants were issued with the same exercise terms of the NFT Warrants.

  The fair value of the 287,600 broker warrants was estimated at $14,380 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of $0.10, expected volatility - 89% (based on historical volatility), risk-free interest rate – 3.77%, exercise price of $0.18 and an expected life of 2 year.

  The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $95,867 and as at October 31, 2022, $32,708 was recognized as a settlement of the flow-through premium leaving $63,159 as a flow-through share premium liability in the consolidated statement of financial position.

- Each Unit consisted of one common share of the Company and one NFT Warrant exercisable to purchase an additional common share of the Company at $0.18 for 24 months from the date of issue.

  A cash commission of $6,600 was paid and 66,000 non-transferable broker warrants were issued with the same exercisable terms of the NFT Warrants. The Company also incurred other issue costs of $750.

  The fair value of the 66,000 broker warrants was estimated at $3,300 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of $0.10, expected volatility - 89% (based on historical volatility), risk-free interest rate – 3.77%, exercise price of $0.18 and an expected life of 2 years.

  Two insiders of the Company subscribed for a total of $410,000 or 4,100,000 Units.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – CONTINUED

Stock Options:

The Company has a stock option plan whereby, the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. Options vest at the date of grant, unless otherwise noted.

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days (or earlier as stipulated) of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance - October 31, 2021, and 2022	3,600,000	$0.90
Expired	(1,180,000)	$1.20
Forfeited	(815,000)	$0.66
Granted	4,775,000	$0.13
Balance - October 31, 2023	**6,380,000**	**$0.30**

During the year ended October 31, 2023, the following share purchased options were transacted:

- 1,180,000 stock options expired on their expiry date of February 26, 2023 and 815,000 stock options granted to former consultants of the Company were forfeited due to termination of service.

- On July 6, 2023, 3,400,000 stock options were granted to directors and officers of the Company, 325,000 stock options were granted to a former director and 1,050,000 stock options to certain consultants for the Company. Each option is exercisable to purchase a common share of the Company at a price of $0.13 per share (used in assumptions below). These options expire on July 6, 2028. 50% of options granted (2,387,500) vest immediately and the remaining 50% (2,387,500) vest one year after grant on July 6, 2024.

The granting of these stock options resulted in the recognition of $220,697 in share-based compensation using the Black-Scholes Option Pricing Model with the following assumptions:

	October 31, 2023
Expected life	5 years
Annualized volatility (based on historical volatility)	81.6%
Stock price	$0.11
Risk-free interest rate	3.91%
Dividend yield	Nil

During the year ended October 31, 2022, no stock options were granted, cancelled, expired or exercised.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – CONTINUED

Stock Options: (continued)

In estimating the fair value of options issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil% in determining the expense recorded.

Details of stock options outstanding and exercisable at October 31, 2023:

Number of Options		Exercise		Remaining
Outstanding	Exercisable	Price $	Expiry Date	Life (years)
765,000*	765,000	0.70	January 21, 2024	0.22
30,000	30,000	0.80	November 11, 2025	2.03
550,000	550,000	0.80	December 9, 2025	2.11
260,000	260,000	1.20	December 31, 2025	2.17
4,775,000	2,387,500	0.13	July 6, 2028	4.68
6,380,000	3,992,500	0.30		3.81

* Subsequent to year-end, these options expired unexercised.

Share Purchase Warrants:

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance - October 31, 2021	3,210,870	1.10
Expired	(1,210,870)	0.81
Issued	12,546,933	0.18
Balance - October 31, 2022	14,546,933	0.33
Expired	(2,000,000)	1.25
Issued	22,201,900	0.18
Balance - October 31, 2023	**34,748,833**	**0.18**

Details of share purchase warrants outstanding at October 31, 2023:

Number of Warrants	Exercise Price $	Expiry Date	Remaining Life (Years)
12,546,933	0.18	September 23, 2024	0.90
5,628,500	0.18	November 21, 2024	1.06
16,573,400	0.18	May 11, 2025	1.53
34,748,833	0.18		1.23

(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, 2023, the Company paid/accrued salaries of $Nil (2022 - $50,000). Salaries were previously paid to the former CEO and an officer of the Company. During fiscal 2023, the Company paid net payroll benefits of $Nil (2022 – $3,670).
b) During the year ended October 31, 2023, the Company incurred management fees of $9,000 (2022 - $22,000) to the former CFO and current director of the Company. Management fees of $198,740 (2022 - $Nil) were incurred in aggregate to a company associated with the current CFO and companies controlled by the CEO and the Chairman of the Board. An additional $276,226 (2022 - $82,500) of paid or accrued exploration expenditures to companies controlled by the CEO was capitalized under exploration and evaluation assets (Note 7).
c) During the year ended October 31, 2023, the Company incurred in aggregate consulting fees of $274,000 (2022 - $113,440) to two directors, a former director, the former CEO and a company associated with the current CFO and CEO of GmbH. An additional $145,000 (2022 - $145,878) consulting fees paid or accrued to a director and a company controlled by a director was capitalized under exploration and evaluation assets (Note 7).
d) Included in receivables at October 31, 2023 is $1,359 (2022 - $1,359) owed from a director.
e) Included in accounts payable and accrued liabilities at October 31, 2023 is $438,577 (2022 - $567,383) owing to one director, a company controlled by a director, a company associated with the current CFO, an officer, four former directors, and a company controlled by a former director.
f) Included in loans payable at October 31, 2023 is $Nil (2022 - $121,106) owing to a director and two former directors. Interest payable on related party loans amount to $20,500 (2022 - $20,683).
g) During the year ended October 31, 2023, the Company incurred office rent of $30,000 (2022 - $30,000) to a company controlled by the CEO of the Company.
h) During the year ended October 31, 2023, the Company purchased certain lab and field equipment costing $75,000 (2022 - $Nil) from a company associated with the CEO and a company controlled by the CEO.
i) During the year ended October 31, 2023, $157,146 (2022 - $Nil) share-based compensation for stock options granted to directors and officers were recorded by the Company.

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, 2023	October 31, 2022
Consulting fees, salaries & benefits, management fees	**$ 686,740**	$ 413,818
Share-based compensation	**157,146**	-
Rent	**30,000**	30,000
	$ 873,886	$ 443,818

(Expressed in Canadian Dollars)

13. RESEARCH AND DEVELOPMENT

	Years Ended	
	October 31, 2023	October 31, 2022
Research and development	**$ 55,423**	$ 21,448

Research and development expenses 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 has 100% ownership interest in the new intellectual property developed. In 2023, the Company engaged Sherbrooke University to research and develop a similar metallurgical process. In addition, the Company also expends certain research costs on its own.

PRIMA Quebec, a branch of the Quebec Provincial Government supporting the innovations of the advanced materials sector, has awarded the Company a $500,000 grant towards the Company’s development of its electrolyte production operation. The grant will be in the form of reimbursing qualified electrolyte production expenditures as submitted by the Company up to an aggregate amount of $500,000. As at October 31, 2023, $242,000 of qualifying expenditures have been incurred and the Company recognized grant income of $165,000 of which $77,000 has been treated as a recovery of electrolyte start-up costs in the statement of loss and comprehensive loss, and $88,000 has been recorded as deferred government grant in the statement of financial position. $115,000 of the grant remains receivable at year-end which was collected in December of 2023.

14. RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instruments 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, restricted cash and receivables. Cash is held with major brokerage houses and major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. Restricted cash is held with a lawyer in trust. At October 31, 2023, the Company’s receivables included $1,359 (2022 - $1,359) due from a related party and $115,000 of accrued government grant receivable (2022 - $Nil). Credit risk is determined to be low.

Currency Risk
The functional currency of the Company and its subsidiaries 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 is 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.

(Expressed in Canadian Dollars)

14. RISK MANAGEMENT - CONTINUED

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 to satisfy short-term liabilities in highly liquid investments. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms with the exception of loans payable. The Company's loans payable mature based on the terms outlined in the loan agreements.

The undiscounted contractual cash flows of its financial liabilities are as follows:

	Within 1 year	2 to 3 years	4 to 5 years	Total
Accounts payable	$ 814,814	$ -	$ -	$ 814,814
Loans payable	220,188	440,376	311,934	972,498
	$ 1,035,002	$ 440,376	$ 311,934	$ 1,787,312

Due to the financing completed in fiscal 2022 and 2023, the Company is managing to pay its current overhead and liabilities. However, additional funding is urgently required to enable the Company to proceed with its projects and management is working on arranging further financing.

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.

15. CAPITAL MANAGEMENT

The Company currently manages its capital structure, consisting of components of equity, 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 and construction of its vanadium electroyte production facilities. In order to carry out planned exploration, production 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, 2023, compared to the year ended October 31, 2022. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

16. CONTINGENCIES

A legal claim against certain directors of the Company and other parties by the former CEO for wrongful dismissal and defamation during the Company's proxy contest in 2013 had commenced in a prior period. The action is considered by the Company 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 and no further action has been initiated by the complainant since the discovery proceedings completed in October 2017.

17. SEGMENTED INFORMATION

The Company operates in two reportable operating segments, being the exploration and development of mineral properties in Canada, production of electrolytes and the development of vanadium redox flow battery technology in Germany. At October 31, 2023, the long-term assets of $174,222 (2022 - $17,324), $336,000 (2022 - $350,000) and $6,602,423 (2022 - $6,005,921) relate to equipment, patent and exploration and evaluation assets, respectively, located in Canada.

18. INCOME TAXES

Reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2022 – 27%) to the effective tax rate:

	October 31, 2023 $	October 31, 2022 $
Expected income tax recovery at statutory rates	**473,000**	248,000
Non-deductible items and permanent differences	**(20,000)**	9,000
Share issuance costs and other		-
Change in deferred tax assets not recognized	**(453,000)**	(257,000)
Deferred income tax recovery	**–**	–

(Expressed in Canadian Dollars)

18. INCOME TAXES – CONTINUED

As at October 31, 2023, the Company has unused non-capital losses of approximately $20,554,000 (2022 - $18,881,000) 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	659,000
2038	899,000
2039	704,000
2040	1,160,000
2041	1,447,000
2042	973,000
2043	1,628,000
Indefinite	649,000
	$ 20,554,000

The significant components of the Company's deductible temporary differences for which no deferred tax assets has been recognized were as follows:

	October 31, 2023 $	October 31, 2022 $
Temporary differences:		
Losses available for future periods	**19,525,000**	18,085,000
Equipment	**77,000**	53,000
Share issue costs	**80,000**	70,000
Other temporary differences	**436,000**	422,000
	20,118,000	18,630,000

(Expressed in Canadian Dollars)

18. INCOME TAXES – CONTINUED

The following is the analysis of recognized deferred tax liabilities and deferred tax assets:

	October 31, 2023 $	October 31, 2022 $
Deferred tax liabilities		
Exploration and evaluation assets	**(739,000)**	(677,000)
Deferred tax liabilities	**(739,000)**	(677,000)
Deferred tax assets		
Non-capital losses	**739,000**	677,000
Deferred tax assets	**739,000**	677,000
Net deferred tax assets (liabilities)	-	-

19. COMMITMENT

During the year ended October 31, 2022, the Company entered into flow-through share subscription agreements whereby it was obligated to incur a total of $575,200 on flow-through eligible expenditures by December 31, 2023. As at October 31, 2022, $196,249 has been incurred.

During the year ended October 31, 2023, the Company entered into a flow-through share subscription agreement whereby it was obligated to incur $60,000 on flow-through eligible expenditures by December 31, 2023.

As at October 31, 2023, all required flow-through expenditures have been met.

20. SUBSEQUENT EVENTS

The following events occurred subsequent to October 31, 2023:

In November 2023, the Company issued 8,675,000 flow-through units ("FT Units") at a price of $0.10 per FT Unit for gross proceeds of $867,500 and 4,557,500 non-flow-through units ("Units") at a price of $0.08 per Unit for gross proceeds of $364,600.

- Each FT Unit consists of one flow-through common share of the Company and one non-flow through common share purchase warrant (the "NFT Warrant") with each NFT Warrant exercisable to purchase an additional non-flow-through common share of the Company at $0.14 for 24 months from the date of issue.

- Each Unit consists of one common share of the Company and one share purchase warrant (the "Warrant") with each Warrant exercisable to purchase an additional common share of the Company at $0.12 for 24 months from the date of issue.

  A company controlled by two officers of the Company subscribed 1,000,000 Units for total proceeds of $80,000.

- Cash commission of $83,100 was paid and 70,000 broker Warrants and 660,000 broker NFT Warrants with the same terms of the Warrants and NFT Warrants, respectively, were issued.

20. SUBSEQUENT EVENTS - CONTINUED

In December 2023, the Company issued 2,148,000 flow-through units (“FT Units”) at a price of $0.10 per FT Unit for gross proceeds of $214,800 and 1,725,000 non-flow-through units (“Units”) at a price of $0.08 per Unit for gross proceeds of $138,000.

- Each FT Unit consists of one flow-through common share of the Company and one non-flow through common share purchase warrant (the “NFT Warrant”) with each NFT Warrant exercisable to purchase an additional non-flow-through common share of the Company at $0.14 for 24 months from the date of issue.

- Each Unit consists of one common share of the Company and one share purchase warrant (the “Warrant”) with each Warrant exercisable to purchase an additional common share of the Company at $0.12 for 24 months from the date of issue.

  A director of the Company subscribed 648,000 FT Units for total proceeds of $64,800.

- Cash commission of $17,440 was paid and 48,000 broker Warrants and 120,000 broker NFT Warrants with the same terms of the Warrants and NFT Warrants respectively were issued.

In connection with the above private placements, the Company received $730,500 in unit subscriptions as at October 31, 2023, in which $710,500 was received in cash and $20,000 was for settlement of loan payable.