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**VANADIUM ONE ENERGY CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE THREE-MONTH PERIOD ENDING MAY 31, 2017**  
**DATED JULY 31, 2017**

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

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

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## General information

The following Management Discussion and Analysis (“**MD&A**”) presents the results, financial position and cash flows of Vanadium One Energy Corp. (“**Vanadium One**” or the “**Company**”) and should be read in conjunction with the Company’s interim consolidated financial statements and accompanying notes for the quarter ended May 31, 2017 and the audited consolidated financial statements of Vanadium One for the twelve-month period ended February 28, 2017 and with the related notes attached thereto.

In addition to containing an analysis for the three-month period ending May 31, 2017, this MD&A reports on items deemed significant that occurred between May 31, 2017 and the date on which the MD&A is approved by the Company’s Board of Directors, which is July 31, 2017, inclusively.

The disclosures and values in this MD&A were prepared in accordance with International Financial Reporting Standards (“IFRS”) and with the current issued and adopted interpretations effective as of July 31, 2017.

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

## Forward-looking statements and use of estimates

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

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

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

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### ITEM 1 - Overview

The Company was incorporated under the *Business Corporations Act* (Ontario) on February 27, 2007. In April 2010, the Company changed its name to Vanadium One Energy Corp. The Company is currently trading on the TSX Venture Exchange (the "**Exchange**") under the symbol "VDR" and the Frankfurt Stock Exchange under the symbol "9VR1". The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario.

Vanadium One Energy Corp. is currently engaged in exploration and evaluation of its 100%-owned Clinton Manganese Project near Clinton, British Columbia. There has been no determination whether the Company's exploration and evaluation assets contain mineral reserves and resources that are economically viable.

The Company is also currently engaged in exploration and evaluation of its Mont Sorcier Iron-Titanium-Vanadium Project in Roy Township, near Chibougamau, Quebec. There has been no determination whether the Company's exploration and evaluation assets contain mineral reserves and resources that are economically viable.

### Property Descriptions

#### ➤ **Clinton Manganese Project**

On March 8, 2016, the Company announced that it has entered into an agreement to acquire a 100% interest in the Clinton Manganese Project near Clinton, British Columbia. The 3 claims comprising the acquired property are located approximately 3 to 6 kilometers to the south of the village of Clinton, British Columbia and cover 954.53 hectares of land. Pursuant to the agreement, the Company agreed to issue up to 12 million shares of its share capital and pay \$20,000 in order to acquire a 100% interest in the property. The Company received approval for this acquisition from the TSX Venture Exchange and approval for issuing 1,400,000 shares as a finder's fee. On July 27, 2016, the Company issued the 12 million shares to the vendors of the property, along with the 1,400,000 finder's fee shares. On August 8, 2016, the payment of \$20,000 was made. In addition, one of the vendors retained a 2% net smelter royalty on the project which may be reduced on payment of \$1million per 1%.

#### ➤ **Ivanhoe, Ontario Property**

The Ivanhoe Property is host to a 9 to 10 channel Geotem EM conductor associated with a strong magnetic high. The anomaly is circular in morphology with an approximate diameter of 250 to 300 meters. The Ivanhoe Lake Cataclastic Zone, a major structural feature in the area borders the western margin of the anomaly. A secondary fault strikes northeast through the approximate anomaly center. According to Ontario Geological Survey ("**OGS**") regional mapping, the anomaly may coincide with a leucogabbro intrusive unit that hosts pyrite, pyrrhotite and chalcopyrite mineralization. The OGS reported no surface grab assay values.

On September 9, 2014, the Company announced that it has acquired additional mining claims contiguous to its Ivanhoe Lake Property, located in the Borden Lake Gold District, Ontario Canada. The additional claims are located directly adjacent to the western boundary of the Company's original Ivanhoe Lake claims and double the size of the footprint in the region. The claims were acquired from the vendors of the Company's original claims pursuant to an amendment to the existing agreement. Vanadium One paid \$6,000 to the vendors and amended the existing agreement to include the additional claims under the same terms and conditions as in the original agreement.

On March 31, 2016, the Company applied its work credits to the original five (5) Ivanhoe Lake claims to maintain the claims in good standing. On March 31, 2016, the Company filed an Application for Extension of Time to Perform Work on the Ivanhoe Lake claims acquired by the Company on September 5, 2014. The

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application was subsequently denied by the Ministry of Northern Development and Mines. It is probable that the Company will not proceed with any work on the new claims and will let the claims expire.

### ➤ **San Miguel, Mexico Property**

In August 2011, The Company expanded its Mexican area play in the southern Sierra Madre del Sur precious metal belt by acquiring a 100% interest in the San Miguel property from Santa Claws Minas S.A., de C.V.

The San Miguel property is approximately 2,000 hectares in size and is surrounded by the 14,722 hectare La Diana property. No modern systematic exploration work has ever been conducted at the San Miguel property. As is the case for the La Diana property, ASTER remote sensing imagery indicates that zones of potential hydroxyl bedrock alteration favorable for epithermal polymetallic mineralization are found throughout the San Miguel property.

At year ended February 28, 2015, the Company did not to pay the semi-annual property tax levy to the Mexican authorities. Without an agreement to acquire both the San Javier and La Diana property concessions, continued investment in San Miguel is without merit. Therefore, the Company has written down its investment in the San Miguel property to a nominal amount.

### ➤ **Mont Sorcier, Iron-Titanium-Vanadium Project, Chibougamau, Quebec**

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

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

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

- The mining claims cover superficies of approximately 1,920 hectares (4,800 acres) and are easily accessed all year round
- 3 types of mineralization have already been recognized on the property; the most significant is the magmatic Fe-Ti-V deposits associated with layered zones within the anorthositic gabbro to gabbroic anorthosite of the Lac Dore Complex. An historical resource of 270,000,000 tons grading 27.65% Fe, 1.05% TiO<sub>2</sub> and 0.23% V<sub>2</sub>O<sub>5</sub>

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was previously defined in 1974 as part of a potential open pit mining operation for iron.

- Volcanogenic Massive Sulphide (VMS) mineralization, as suggested by the presence of the Sulphur Converting Occurrence hosted within felsic / intermediate fragmental volcanic rocks, crosses the northern part of the claim block. The most common types of mineralization exploited to date in Chibougamau are copper or copper-gold rich vein systems developed within zones of shearing of different directions and crossing most lithological units have also been identified on the claims.
- A budget has been recommended for two separate and independent phases. The main phase would probe, by core drilling, the Fe-Ti-V deposits in order to verify and possibly upgrade part, or all, of the historical resources into NI 43-101 and CIM Standards resources. A possible secondary phase would focus on the gold and massive sulphide potential of the property.

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

- On July 27, 2017, the Company announced that it has commenced Phase 1 of its exploration program, with a drilling campaign, at its Mont Sorcier Iron-Titanium-Vanadium project. Drilling began on July 21st, 2017. The drilling program was recommended in the NI 43-101 technical report dated October 29th, 2016, and was written by Claude P. Larouche, P.Eng., who has spent over 20 years working in the Chibougamau region.

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**ITEM 2 - Results of Operations**

For the three-month period ended May 31, 2017, the Company incurred total operational expenses of \$233,895 versus \$25,901 in the same period in 2016, for an increase of \$207,994, or 803%.

For the period ended,	May 31, 2017	May 31, 2016
	\$	\$
General and administrative expenses	22 787	24 401
Professional fees	139 500	1 500
Share based payment	71 608	-
	233 895	25 901
<b>Loss and comprehensive loss for the year</b>	<b>(233 895)</b>	<b>(25 901)</b>
<b>Basic and diluted loss per share</b>	<b>(0,008)</b>	<b>(0,005)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>28 552 375</b>	<b>5 356 613</b>

During the three-month period, general and administrative expenditures have decreased by \$1,614 (7%) mainly due to filing fees paid in the period. Professional fees increased by \$138,000. The increase is due to the Company's continuous efforts to explore actual and new business opportunities. There was also a share based payment of \$71,608 for the stock options granted on March 12, 2017.

The net comprehensive loss for the three-month period ended May 31, 2017 was \$233,895 (2016 - \$25,901). The loss per share was \$0.008 based on 28,552,375 post-consolidation weighted average shares outstanding for the period versus a loss of \$0.005 based on 5,356,613 post-consolidation weighted average shares outstanding for the period ended May 31, 2016.

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**ITEM 3 - Summary of Quarterly Results**

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

Quarter ended,	Revenues	Net loss and Comprehensive loss	Net loss (per share basic)	Shares outstanding
	\$	\$	\$	#
May 31, 2017	-	233 895	0,008	28 552 375
February 28, 2017	-	367 194	0,013	28 552 375
November 30, 2016	-	182 621	0,010	17 630 773
August 31, 2016	-	64 897	0,005	13 930 780
May 31, 2016	-	25 901	0,005	5 356 613
February 29, 2016	-	49 246	0,009	5 356 613
November 30, 2015	-	86 499	0,016	5 356 613
August 31, 2015	-	24 707	0,005	5 356 613
May 31, 2015	-	15 547	0,003	5 356 613

The Company announced that effective September 28, 2016 at market open, the Company will consolidate its common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares. The Company's common shares will begin trading on a post consolidated basis on the TSX Venture Exchange on September 28, 2016. As a result of the consolidation, the Company's currently outstanding 139,307,795 common shares will be reduced to 13,930,773 common shares. No fractional shares will be issued. Any fractions of a share will be rounded to the nearest whole number of common shares. The Company's name and trading symbol will remain unchanged. The consolidation was approved by the shareholders of the Company on September 6, 2016 and accepted by the TSX Venture Exchange on September 26, 2016. All the numbers for shares outstanding in the table are post-consolidation.



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**ITEM 4 - Liquidity**

As at May 31, 2017 the Company had a working capital of \$976,093 and at May 31, 2016 and February 28, 2017 the Company had the following working capital:

	<b>May 31, 2017</b>	<b>May 31, 2016</b>	<b>February 28, 2017</b>
	\$	\$	\$
Cash and cash equivalents	<b>301 487</b>	25 315	509 150
Restricted cash	<b>400 740</b>	-	400 740
Receivables and others	<b>75 512</b>	7 645	64 467
Prepaid expenses	<b>248 560</b>	-	248 560
<b>Total current assets</b>	<b>1 026 299</b>	32 960	1 222 917
Less: accounts payable and accruals	<b>(50 206)</b>	(341 250)	(71 088)
Less: loan payable	-	(35 000)	-
<b>Working capital</b>	<b>976 093</b>	<b>(343 290)</b>	<b>1 151 829</b>

The Company has negotiated debt settlement agreements with various related parties and creditors. The outstanding debts with creditors were extinguished through reduction of current debt from approximately \$187,779 to \$130,000 and the issuance of shares on a post-consolidation basis. The company has agreed to settle the reduced amount of the debt in exchange for the issuance of an aggregate of 650,000 post-consolidated common shares. The debt settlement was based on a deemed price of \$0.20 per share on a post-consolidated basis. Accounts payable and accrued liabilities includes an amount of \$1,695 as at May 31, 2017 (February 28, 2017 - \$2,265) due to related parties.

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**ITEM 5 - Capital Resources**

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

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

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

At May 31, 2017 the Company had 28,552,375 post-consolidation common shares outstanding. As at July 31, 2017 the Company had 28,552,375 post-consolidation common shares outstanding (see ITEM 3).

As at May 31, 2017 and July 31, 2017 the Company had 2,650,000 stock options issued and outstanding as follows:

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

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As at May 31, 2017 and July 31, 2017 the Company had 12,994,369 post-consolidation share purchase warrants outstanding as follows:

exercise price	Number outstanding and exercisable	Weighted average	
		remaining contractual life (years)	Expiry
0,160	841 667	1,8	February 2019
0,250	8 416 666	1,8	February 2019
0,150	200 494	2,1	June 2019
0,100	854 500	2,2	July 2019
0,075	723 417	2,3	August 2018
0,100	1 595 917	2,3	August 2019
0,120	361 708	2,3	August 2019
<b>0,003</b>	<b>12 994 369</b>	<b>2,0</b>	

**EQUITY FINANCING**

*During the twelve Months Ended February 28, 2017*

- (a) On August 3, 2016 Vanadium announced the closing of a private placement in the gross amount of \$542,562. A total of 59,008,331 Units of the Company were issued at a price of \$0.0075 per unit for gross proceeds of \$442,562, and 13,333,331 "flow-through" shares at a price of \$0.0075 per share for gross proceeds of \$100,000. Each Unit consists of one common share in the capital of the Company and one half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of \$0.01 for a period of 3 years from the closing date of the private placement.

The Company closed its first tranche of the private placement on July 27, 2016 of which the Company issued 21,089,999 Units for gross proceeds of \$158,175 (the "First Tranche"). The Company closed its final tranche of the private placement on August 2, 2016 in which the Company issued 37,918,332 Units for gross proceeds of \$284,387 and 13,333,331 "flow-through" shares for gross proceeds of \$100,000 (the "Final Tranche").

Finder's fees consisting of \$54,256 in cash and 7,234,166 broker warrants ("Broker Warrants") were paid to the finders in accordance with policies of the TSX-V. Each Broker Warrant is convertible into one broker warrant unit (a "BW Unit") at a price of \$0.0075 per BW Unit for a period of two years from the date of issuance. Each BW Unit consists of one Share (a "BW Share") of the Company and one-half Warrant of the Company (each whole warrant, a "BW Warrant"). Each BW Warrant will entitle the holder to purchase one Share (a "BW Warrant Share") of the Company for a period of 3 years following the date of issuance of the BW Warrants at a price of \$0.01 per BW Warrant Share.

- (b) On July 25, 2016 under the terms of the Clinton Manganese Property acquisition agreement described in Note 9(iii) above the Company issued 12,000,000 (pre-consolidation) common shares at \$0.0075. In addition, finder's fees of 1,400,000 common shares at \$0.0075 were issued in relation to the acquisition (see note 9 (iii)).
- (c) On September 28, 2016 Vanadium announced the consolidation of its common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares. As a result of the consolidation, the Company's outstanding 139,307,795 common shares were reduced to 13,930,773 common shares. No fractional shares were issued. Any fractions of a share were rounded down to the nearest whole

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number of common shares. The consolidation was approved by the shareholders of the Company on September 6, 2016 and accepted by the TSX Venture Exchange on September 26, 2016.

- (d) On September 28, 2016, in connection with the Company's effort to restructure, Vanadium has negotiated debt settlement agreements with various creditors. The outstanding debt with the creditors were extinguished through reduction of current debt from approximately \$187,778.69 to \$130,000 and the issuance of shares on a post consolidation basis (the "Debt Settlement"). The company agreed to settle the reduced amount of the debt in exchange for the issuance of an aggregate of 650,000 post-consolidated common shares. The debt settlement will be based on a deemed price of \$0.20 per share on a post-consolidated basis.
- (e) On November 8, 2016 under the terms of the Mont Sorcier Vanadium-Iron-Titanium acquisition agreement more fully described in Note 9(iv) the Company issued to Chibougamau Independent Mines 2,750,000 common shares. In addition, finder's fees of 300,000 common shares of the Company were issued in relation to the acquisition.
- (f) On December 16, 2016, The Company announced it has completed an initial tranche of a non-brokered private placement financing. Pursuant to the financing, the Company issued 2,004,936 "flow-through" shares at a price of \$0.15 per share for gross proceeds of \$300,740.40.

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

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

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

*During the three Months Ended May 31, 2017*

There were no transactions.

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

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

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**ITEM 7 - Transactions with Related Parties**

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

<b>Transactions during the period ended,</b>	<b>May 31, 2017</b>	<b>May 31, 2016</b>
	<b>\$</b>	<b>\$</b>
Management fees	19 500	12 000
Consulting fees paid to a company controlled by an officer	4 500	-
Expenses reimbursement	4 213	3 879
	<b>28 213</b>	<b>15 879</b>

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

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

The Company's President and CEO purchased 400,000 units for \$48,000 for the unit offering that closed in February 2017.

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

<b>Outstanding balances owing to related parties as at,</b>	<b>May 31, 2017</b>	<b>May 31, 2016</b>
	<b>\$</b>	<b>\$</b>
Management fees due to directors/officers	-	160 621
Non-interest bearing, unsecured, demand loans from shareholders	-	8 000
Amounts payable to a company controlled by an officer	1 695	-
Amounts payable to companies with common ownership or directors	-	47 337
	<b>1 695</b>	<b>215 958</b>

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. This amount includes amounts paid to the CEO and former CFO of the Company.

## **ITEM 8 - Proposed Transactions**

There are no proposed transactions at this time.

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### ITEM 9 - Risk Factors

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

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



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*(Expressed in Canadian dollars)*

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

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## **ITEM 10 - Critical Accounting Estimates**

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

## **ITEM 11 - Changes in Accounting Policies**

The Company would like to direct readers to its interim consolidated financial statements for the period ending May 31, 2017, which are incorporated by reference and can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

### **Future accounting changes**

Explanations and descriptions of future accounting changes are presented in Note 6 to the interim consolidated financial statements for the period ended May 31, 2017.

## **ITEM 12 - Financial Instruments and Other Instruments**

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

## **ITEM 13 - Capital Structure**

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

As of the date of this Management Discussion and Analysis there were 28,552,375 post-consolidation common shares, 12,994,369 post-consolidation purchase share warrants, and 2,650,000 post-consolidation share purchase options, all issued and outstanding.

### **Consolidation**

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

### **Debt Settlement:**

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

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

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**ITEM 14 - Subsequent events**

There were no subsequent events.

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

Signed: "John Priestner"

John Priestner  
Chief Executive Officer

Vanadium One Energy Corp.  
July 31, 2017  
Burlington, Ontario  
Canada