



VanadiumCorp Resource Inc.

CONSOLIDATED FINANCIAL STATEMENTS

For The Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, VanadiumCorp Resource Inc. discloses that the accompanying unaudited condensed interim consolidated financial statements for the three months ended, April 30, 2025, and 2024, were prepared by and are the responsibility of the Company's management.

The company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

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

	(Unaudited)	(Audited)
As at:	April 30, 2025	October 31, 2024
Assets		
Current		
Cash	\$ 62,777	\$ 15,360
Restricted cash	-	-
Receivables (Note 4)	22,630	25,969
Prepaid and advances (Note 5)	129,558	125,363
	214,965	166,692
Non-Current		
Plants (Note 6)	1,606,201	1,547,674
Equipment (Note 7)	7,005	8,183
Deposits (Note 6)	-	-
Patent (Note 9)	332,736	336,094
Exploration and evaluation assets (Note 8)	7,488,591	7,121,955
Total assets	\$ 9,649,498	\$ 9,180,598
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 10, 11 and 13)	\$ 1,648,913	\$ 1,715,497
Loans payable (Notes 11)	231,991	207,891
Flow-through liability (Notes 12 and 20)	-	63,855
	1,880,904	1,987,244
Non-Current		
Deferred government grant (Note 14)	-	-
Long-term portion of loans payable (Notes 11)	386,199	461,570
Total liabilities	2,267,103	2,448,814
Equity		
Share capital (Note 12)	40,085,602	39,567,973
Share subscriptions	28,500	27,700
Warrants	346,900	346,900
Contributed surplus	13,314,295	13,302,259
Accumulated deficit	(46,392,902)	(46,513,048)
	7,382,395	6,731,785
Total liabilities and equity	\$ 9,649,498	\$ 9,180,598

Nature of operations and going concern (Note 1)
Subsequent event (Notes 12 and 20)

Approved on behalf of the Board of Directors on June 25, 2025:

"Kristien Davenport"
Director

"Andre Gauthier"
Director

See accompanying notes to these consolidated financial statements

VanadiumCorp Resource Inc.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the Three and Six Months Ended April 30, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

	Three months Ended		Six months Ended	
	April 30,		April 30,	
	2025	2024	2025	2024
Expenses				
Amortization - Patent (Note 9)	\$ 5,300	\$ 3,500	\$ 10,600	\$ 3,500
Consulting (Note 13)	24,881	33,910	29,881	33,910
Depreciation - Equipment (Note 7)	7,097	8,968	14,195	8,968
Interest and financing fees	898	21,484	1,653	21,484
Management fees (Note 13)	52,000	93,000	118,000	93,000
Marketing and corporate development	62,375	36,400	62,375	36,400
Office (Note 13)	5,844	16,388	22,317	16,388
Professional fees	24,915	16,034	46,274	16,034
Research and development (Note 14)	12,849	-	26,355	-
Salaries and wages (Note 13)	-	-	-	-
Shareholder communications	1,500	1,250	2,672	1,250
Share-based compensation (Notes 12 and 13)	-	-	-	-
Filing and regulatory fees	11,004	16,901	21,345	16,901
Travel and entertainment	1,088	244	7,697	244
Operating loss	(209,752)	(248,080)	(363,365)	(248,080)
Other items				
Gain on write-off of accounts payable (Note 13)	66,480	-	419,948	-
Foreign exchange gain (loss)	(4)	-	(293)	-
Recovery on flow-through liability (Note 20)	-	-	63,855	-
Net income (loss) and comprehensive income (loss) for the period	\$ (143,276)	\$ (248,080)	\$ 120,146	\$ (248,080)
Basic and diluted income (loss) per share	\$ (0.01)	\$ (0.03)	\$ 0.01	\$ (0.03)
Weighted average number of shares outstanding	11,357,070	7,963,864	10,239,525	7,963,864

See accompanying notes to these consolidated financial statements

Consolidated Statements of Changes in Equity
For the Six Months Ended April 30, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Warrants	Contributed Surplus	Share Subscriptions	Accumulated Deficit	Total
	Number of Shares	Amount					
Balance - October 31, 2023	6,607,634	\$ 38,421,560	\$ 241,900	\$ 13,201,640	\$ 730,500	\$ (45,455,999)	\$ 7,139,601
Units issued for cash	1,710,550	1,584,900	-	-	(730,500)	-	854,400
Residual value of warrants in units issued	-	(108,500)	108,500	-	-	-	-
Broker warrants issued	-	-	-	19,549	-	-	19,549
Flow-through share premium	-	-	-	-	-	-	-
Share issuance costs	-	(23,261)	-	-	-	-	(23,261)
Unit subscriptions received	-	-	-	-	-	-	-
Share-based compensation	-	-	-	60,467	-	-	60,467
Net loss and comprehensive loss for the period	-	-	-	-	-	(584,704)	(584,704)
Balance - April 30, 2024	8,318,184	39,874,699	350,400	13,281,656	-	(46,040,703)	7,466,052
Units issued for cash	-	0	-	-	-	-	0
Residual value of warrants in units issued	-	3,500	(3,500)	-	-	-	-
Broker warrants issued	-	(19,549)	-	-	-	-	(19,549)
Flow-through share premium	-	(216,460)	-	-	-	-	(216,460)
Share issuance costs	-	(74,216)	-	-	-	-	(74,216)
Unit subscriptions received	-	-	-	-	27,700	-	27,700
Share-based compensation	-	-	-	20,603	-	-	20,603
Net loss and comprehensive loss for the period	-	-	-	-	-	(472,345)	(472,345)
Balance - October 31, 2024	8,318,184	39,567,973	346,900	13,302,259	27,700	(46,513,048)	6,731,785
Units issued for cash	3,756,554	505,530	-	-	-	-	505,530
Residual value of warrants in units issued	-	-	-	-	-	-	-
Broker warrants issued	-	(12,036)	12,036	-	-	-	-
Flow-through share premium	-	-	-	-	-	-	-
Share issuance costs	-	(50,040)	-	-	-	-	(50,040)
Unit subscriptions received	-	-	-	-	800	-	800
Shares issued related to debt settlement	593,397	74,175	-	-	-	-	74,175
Share-based compensation	-	-	-	-	-	-	-
Net income and comprehensive income for the period	-	-	-	-	-	120,146	120,146
Balance - April 30, 2025	12,668,135	40,085,602	358,936	13,302,259	28,500	(46,392,902)	7,382,395

See accompanying notes to these consolidated financial statements

VanadiumCorp Resource Inc.
Consolidated Statements of Cash Flows
For the Six Months Ended April 30, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

	Six months Ended	
	April 30,	
	2025	2024
Operating activities:		
Net income (loss) for the period	\$ 120,146	\$ (584,704)
Adjustments for items not affecting cash:		
Amortization	10,600	7,000
Depreciation	7,686	17,936
Write-off of accounts payable	(353,468)	-
Recovery on flow-through liability	(63,855)	-
Share-based compensation	-	80,016
Net change in non-cash working capital items:	(278,891)	(479,751)
Receivables	3,339	(143,007)
Prepaid and deposits	(4,195)	62,183
Accounts payable and accrued liabilities	161,937	411,797
Cash used in operating activities	(117,810)	(148,778)
Investing activities		
Purchase of equipment	-	-
Deposits	-	557,644
Plant No. 1	(222,279)	(1,754,148)
Plant No. 2	-	(64,000)
Government grants	-	322,438
Patents	(7,241)	-
Exploration and evaluation asset expenditures	(84,446)	(418,914)
Cash used in investing activities	(313,966)	(1,356,980)
Financing activities		
Units issued, net of issuance costs	499,635	831,139
Share subscriptions	30,830	-
Loans received	-	-
Loans repaid	(51,271)	(67,459)
Cash provided from financing activities	479,193	763,680
Change in cash during the period	47,417	(742,077)
Cash - beginning of period	15,360	798,682
Cash - end of period	\$ 62,777	\$ 56,605
Non-cash investing activity:		
Exploration and evaluation expenditures included in payables	\$ 364,672	\$ 7,800
Plant and equipment additions included in payables	\$ 240,821	\$ -
Fair value of broker warrants	\$ 9,318	\$ 19,949

See accompanying notes to these consolidated financial statements

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

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 will 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 income of \$120,146 during the six-month period ended April 30, 2025 (2024 net loss - \$584,704) and, as of that date, has accumulated a deficit of \$46,392,902 (October 31, 2024 - \$46,513,048). The Company has a working capital deficit of \$1,665,938 at April 30, 2025 (October 31, 2024 – \$1,820,551). 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 June 25, 2025.

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

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 years 2024 and 2023, GmbH incurred \$Nil sales. GmbH's operating and administration expenses for the year ended October 31, 2024 totaled \$20,839 (2023 – \$45,014) and are consolidated with the Company's expenses. GmbH's operating and administration expenses for the six-month period ended April 30, 2025 totaled \$Nil (2024 – \$Nil) and 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 broker 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:

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.

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

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 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.

iv) Plants under construction

Management applied judgement to assess which costs are considered directly attributable to bringing the plants to the location and condition necessary for them to be capable of operating in the manner intended by management in accordance with IAS 16 Property, plant and equipment ("IAS 16"). Management also applied judgement to assess that the plants have not reached the stage of being capable of operating as intended as at October 31, 2024 and therefore depreciation has not commenced.

Judgement was required to assess whether there were any impairment indicators related to the plants under construction in accordance with IAS 36, Impairment of assets. Management considered both external and internal sources of information in making its assessment as to whether there were any indicators of impairment.

3. SUMMARY OF MATERIAL 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. Restricted cash consists of cash held at the lawyer in trust. 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 April 30, 2025 and October 31, 2024.

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.

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

c) Financial instruments

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*Financial assets and liabilities at amortized cost

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.

Financial assets and liabilities at fair value through profit or loss ("FVTPL")

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.

Impairment of financial assets at amortized cost

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

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.

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:

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

- 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.

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 mineral properties 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.

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

(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.

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.

f) 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.

g) Rehabilitation provisions

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

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

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

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.

At April 30, 2025 and October 31, 2024, management was not aware of any reportable asset retirement obligations.

h) Plant and equipment

Plant and equipment are recorded at acquisition cost, including capitalized interest incurred during the construction period of qualifying assets, less accumulated depreciation and impairment losses. Costs for repairs and maintenance activities are expensed as incurred. 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

Initial costs related to the plants under construction are capitalized when they meet the criteria in IAS 16 which are: (a) it is probable the future economic benefits associated with the item will flow to the entity; and (b) the costs of the item can be measured reliably. To date, the costs capitalized include the purchase price of equipment as well as directly attributable costs related to initial site preparation and costs of testing whether the asset is functioning properly. Depreciation will commence when the plants are available for use.

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 loss.

i) Patents

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.

j) 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.

k) 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.

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

l) 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 warrants reserve.

(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.

m) 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.

VanadiumCorp Resource Inc.

Notes to Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2025 and 2024

(Expressed in Canadian Dollars)

n) 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, 2024 and 2023, basic and diluted loss per share are the same.

o) Income taxes

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

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

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is:

- (i) not a business combination, and
- (ii) at the time of the transaction:
 - (a) affects neither accounting nor taxable profit or loss, and
 - (b) does not give rise to equal taxable and deductible temporary differences

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

p) New accounting standards

Accounting standards adopted during the year

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.

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Notes to Consolidated Financial Statements

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

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)

These amendments clarify how companies account for deferred taxes on transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. These amendments had no impact 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 did not have a material impact on the Company.

Accounting standards issued but not yet effective

The following accounting standards and amendments are effective for future periods. The Company is in the process of assessing the impacts of the adoption of these standards and amendments in the Company’s consolidated financial statements.

Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments to IAS are effective for years beginning on or after January 1, 2024.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies’ financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

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Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

4. RECEIVABLES

	April 30, 2025	October 31, 2024
Sales tax receivable	\$ 18,792	\$ 22,131
Accounts receivable - general	3,838	3,838
Government grant receivable (Note 14)	-	-
	22,630	25,969

5. PREPAID, ADVANCES, AND DEPOSITS

	April 30, 2025	October 31, 2024
Current		
Prepaid expenses	\$ 93,512	\$ 99,438
Advances to related parties	36,046	25,925
	129,558	125,363

6. PLANTS

	Plant No. 1	Plant No. 2	Total
Balance, October 31, 2024	\$ 1,483,674	\$ 64,000	\$ 1,547,674
Transfer from prior year deposits (Note 5)	-	-	-
Transfer from equipment (Note 7)	-	-	-
Additions	58,527	-	58,527
Government tax credits (Note 14)	-	-	-
Total during the period	58,527	-	58,527
Balance, April 30, 2025	1,542,200	64,000	1,606,201

Plant No. 1: The Company's pilot electrolyte manufacturing facility (Plant No. 1) is located in Val-des-Sources, Quebec.

The Company contracted C-Tech Innovation of Chester, United Kingdom, as the supplier of the core components of Plant No. 1 in March 2023. The completed unit comprises integrated V2O5 feed hopper, digester tank, cells, tanks, pumps, flow meters, sensors and HMI/PLC, all mounted on a stainless-steel wheeled frame. The equipment arrived at the site in early February 2024. Plant No. 1 was commissioned in April 2024.

Current year additions include \$33,567 of capitalized borrowing costs for interest incurred on the loans payable (Note 11).

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Notes to Consolidated Financial Statements

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No depreciation has been taken for the three-month period ended January 31, 2025 and the year ended October 31, 2024 as management has determined that the plant has not reached the stage of being capable of operating as intended as at October 31, 2024.

Plant No. 2: During Fiscal 2023 and Fiscal 2024, the Company also commenced design and engineering work on Plant No. 2.

Grants from PRIMA: The Company has received a government grant from PRIMA, the Québec government critical materials agency, which under the terms of the agreement signed in May 2023, makes available to the Company non-refundable funds against eligible capital expenditures made towards Plant No. 1. The total grant available to the Company is \$500,000. The government grant received during the year ended October 31, 2024 amounted to \$235,000 and this amount, together with \$88,000 in deferred government grant at October 31, 2023, has been applied against the capital costs incurred for Plant No. 1.

7. EQUIPMENT

	Computer Equipment	Office Furniture	Field/Lab Equipment	Leasehold Improvement	Website Development	Total
Cost:						
At October 31, 2023	40,912	6,371	180,788	-	18,933	247,004
Additions	-	-	-	-	-	-
Transfer to Plant No. 1	-	-	(180,788)	-	-	(180,788)
At October 31, 2024	40,912	6,371	-	-	18,933	66,216
Additions	-	-	-	-	-	-
Disposal / write-off	-	-	-	-	-	-
At April 30, 2025	40,912	6,371	-	-	18,933	66,216
Depreciation:						
At October 31, 2023	35,136	5,135	18,079	-	14,432	72,782
Depreciation	1,733	247	32,542	-	1,350	35,872
Transfer to Plant No. 1	-	-	(50,621)	-	-	(50,621)
At October 31, 2024	36,869	5,382	-	-	15,782	58,033
Depreciation	606	100	-	-	472	1,178
Disposal / write-off	-	-	-	-	-	-
At April 30, 2025	37,475	5,482	-	-	16,254	59,211
Net book value:						
At October 31, 2024	4,043	989	-	-	3,151	8,183
At April 30, 2025	3,437	889	-	-	2,679	7,005

During fiscal 2024, the field and lab equipment with a net book value of \$130,167 was transferred to Plant No. 1 (Note 6).

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Notes to Consolidated Financial Statements

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8. EXPLORATION AND EVALUATION ASSETS

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

	Iron-T Property	Lac Dore Property	Total
Balance, October 31, 2023	\$ 2,341,602	\$ 4,260,821	\$ 6,602,423
Claims/permits	-	4,351	4,351
Consulting	20,000	105,927	125,927
Engineering/reports	-	112,800	112,800
Equipment/other rentals	5,305	-	5,305
Field costs/exploration	-	262,140	262,140
Geophysical & mapping	-	34,450	34,450
Travel & accommodation	-	35,609	35,609
Government tax credits	(3,644)	(57,407)	(61,051)
Total during the year	21,661	497,870	519,531
Balance, October 31, 2024	2,363,263	4,758,692	7,121,955
Claims/permits	3,066	690	3,756
Consulting	-	-	-
Engineering/reports	-	32,500	32,500
Equipment/other rentals	-	-	-
Field costs/exploration	5,000	27,880	32,880
Geophysical & mapping	-	297,500	297,500
Travel & accommodation	-	-	-
Government tax credits	-	-	-
Total during the year	8,066	358,570	366,636
Balance, April 30, 2025	2,371,329	5,117,262	7,488,591

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.

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.

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(Expressed in Canadian Dollars)

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.

9. PATENTS

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 April 30, 2025, four out of six patent rights were granted. The patents are effective for twenty (20) years from the date of application and \$21,200 (2023 – \$14,000) of amortization expense was recorded in the year ended October 31, 2024. During the year ended October 31, 2024, additions totaled \$21,294 (2023 - \$Nil). During the six-month period ended April 30, 2025, additions totaled \$7,241 (2024 - \$17,243). During the six-month period ended April 30, 2025, amortization expense was \$10,600 (2024 - \$21,000).

At April 30, 2025 and October 31, 2024, no impairment was recorded for the patents.

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Notes to Consolidated Financial Statements

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2025	October 31, 2024
Trade payables (Note 13)	1,478,034	1,591,909
Accrued liabilities	107,500	75,000
Payroll liabilities	-	-
Loans interest payable (Note 11)	63,379	48,588
	1,648,913	1,715,497

11. LOANS PAYABLE

	Related Party Loans	Other - Third Party Loans	Total Loans
Balance - October 31, 2023	\$ 15,500	\$ 756,651	\$ 772,151
Related party loans repayments	-	-	-
Repayments	-	(102,690)	(102,690)
Balance - October 31, 2024	15,500	653,961	669,461
Repayments	-	(51,271)	(51,271)
Balance - April 30, 2025	\$ 15,500	\$ 602,690	\$ 618,190
Long-term portion	\$ -	\$ 386,199	\$ 386,199
Short-term portion	15,500	216,491	231,991
	\$ 15,500	\$ 602,690	\$ 618,190

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. Also 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.

At April 30, 2025, loan interest payable owed to former related parties of \$23,790 (2024 - \$23,790) 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 its Plant No. 1. Principal Amount to be repaid is \$800,000 consisting of the Loan Amount plus an origination fee of \$25,000.

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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 totaling \$1,287,182 which are included in the carrying amount of Plant No. 1 as at October 31, 2024.

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

At April 30, 2025, the Company is in default under the Financing Agreement with Key West as it is in arrears of monthly repayments due under the Financing Agreement in the amount of \$73,396. At April 30, 2025, the secured loan amount outstanding is \$602,690 (2024 - \$653,961) and the total interest accrued at April 30, 2025 is \$39,589 (2024 - \$24,798) which is included in accounts payable and accrued liabilities.

12. SHARE CAPITAL

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

Share Consolidation:

Effective October 3, 2024, 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 April 30, 2025, there were 12,668,135 (2024: 8,318,184) shares issued and outstanding.

During the period ended April 30, 2025:

In March 2025, the Company issued 593,397 common shares as a partial settlement of amounts owed to certain officers and consultants. The reduction in the total amount owed to these officers and consultants was \$74,175.

In March and April 2025, the Company issued 1,910,273 non flow-through units ("NFT Units") at a price of \$0.11 per NFT Unit for gross proceeds of \$210,130. Each NFT Unit consists of one non 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 \$0.15 for 36 months from the date of issue. The Company has paid cash finder's fees totalling \$9,109 and issued 82,810 non-transferable broker warrants to two finders in accordance with TSX Venture Exchange policies. The broker warrants are exercisable to purchase a common share of the Company at \$0.15 for thirty-six months.

The fair value of the 116,550 broker warrants was estimated at \$3,797 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.11, expected volatility – 81.6% (based on historical volatility), risk-free interest rate – 2.53%, exercise price of \$0.20 and an expected life of 2.5 years.

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In December 2024, the Company issued 1,846,250 flow-through units ("FT Units") at a price of \$0.16 per FT Unit for gross proceeds of \$295,400. 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 \$0.20 for 36 months from the date of issue. The Company has paid cash finder's fees totalling \$18,648 and issued 116,550 non-transferable broker warrants to three finders in accordance with TSX Venture Exchange policies. The broker warrants are exercisable to purchase a common share of the Company at \$0.20 for thirty-six months.

The fair value of the 116,550 broker warrants was estimated at \$8,238 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.16, expected volatility – 81.6% (based on historical volatility), risk-free interest rate – 2.90%, exercise price of \$0.20 and an expected life of 2.5 years.

During the year ended October 31, 2024:

In November 2023, the Company closed a non-brokered private placement financing whereby it issued 867,500 flow-through units (the "FT Units") at \$1.00 and 455,750 non flow-through units (the "NFT Units") at \$0.80 for aggregate proceeds of \$1,232,100. Each FT Unit consists of one (1) flow-through common share of the Company and one (1) non-flow-through common share purchase warrant (the "FT Warrants"), with each FT Warrant exercisable to purchase one non-flow-through common share of the Company for \$1.40 for two (2) years from the date of issue. Each NFT Unit consists of one (1) common share of the Company and one (1) common share purchase warrant (the "Warrants"), with each Warrant exercisable to purchase one common share of the Company for \$1.20 for two (2) years from the date of issue. Cash finders' fees in the amount of \$84,600 were paid; and 7,000 broker warrants, exercisable at \$1.20 for two (2) years, and 66,000 broker warrants, exercisable at \$1.40 for 2 years, were issued. The Company recorded a flow-through premium liability of \$173,500, of which \$20,895 remains unamortized at October 31, 2024.

The fair value of the 73,000 broker warrants was estimated at \$16,186 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.75, expected volatility – 81.6% (based on historical volatility), risk-free interest rate – 4.75%, exercise prices of \$1.20 and \$1.40 and an expected life of 2 years.

The residual value of warrants in these Units amounted to \$66,250 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

In December 2023, the Company closed a non-brokered private placement financing whereby it issued 214,800 flow-through units (the "FT Units") at \$1.00 and 172,500 non flow-through units (the "NFT Units") at \$0.80 for aggregate proceeds of \$352,800. Each FT Unit consists of one (1) flow-through common share of the Company and one (1) non-flow-through common share purchase warrant (the "FT Warrants"), with each FT Warrant exercisable to purchase one non-flow-through common share of the Company for \$1.40 for two (2) years from the date of issue. Each NFT Unit consists of one (1) common share of the Company and one (1) common share purchase warrant (the "Warrants"), with each Warrant exercisable to purchase one (1) common share of the Company for \$1.20 for two (2) years from the date of issue. Cash finders' fees in the amount of \$11,840 were paid; and 4,800 broker warrants, exercisable at \$1.20 for two (2) years, and 12,000 broker warrants, exercisable at \$1.40 for two (2) years, were issued. The Company recorded a flow-through premium liability of \$42,960, of which \$42,960 remains unamortized at October 31, 2024.

The fair value of the 16,800 broker warrants was estimated at \$3,363 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.70, expected volatility – 81.6% (based on historical volatility), risk-free interest rate – 4.81%, exercise prices of \$1.20 and \$1.40 and an expected life of 2 years.

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The residual value of warrants in these Units amounted to \$38,750 and was recorded as a share capital reduction with an equivalent amount to warrants in the statement of financial position.

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, and the maximum term of the options will be five years.

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 stock options at April 30, 2025 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at October 31, 2023	638,000	2.70
Granted	-	-
Expired	(76,500)	7.00
Forfeited	(220,500)	4.95
Outstanding as at October 31, 2024	341,000	2.12
Granted	-	-
Forfeited	(186,000)	1.30
Outstanding as at April 30, 2025	155,000	\$ 1.30

During the six-month period ended April 30, 2025, share-based compensation amounted to \$Nil (2024 - \$Nil). During the year ended October 31, 2024, share-based compensation amounted to \$81,070 (2023 - \$220,697) as a result of stock options granted in the prior year which vested in the current year. During the year ended October 31, 2024, 76,500 stock options expired unexercised and 220,500 options were forfeited.

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

- 118,000 stock options expired on their expiry date of February 26, 2023 and 81,500 stock options granted to former consultants of the Company were forfeited due to termination of service.

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- On July 6, 2023, 340,000 stock options were granted to directors and officers of the Company, 32,500 stock options were granted to a former director and 105,000 stock options to certain consultants for the Company. Each option is exercisable to purchase a common share of the Company at a price of \$1.30 per share (used in assumptions below). These options expire on July 6, 2028. 50% of options granted (238,750) vest immediately and the remaining 50% (238,750) vest one year after grant on July 6, 2024.

The grant date fair value of these stock options on July 6, 2023 was \$334,250 and was determined 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	\$1.10
Risk-free interest rate	3.91%
Dividend yield	Nil

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 April 30, 2025:

Number of Options		Exercise Price	Expiry Date	Remaining Life (Years)
Outstanding	Exercisable			
235,000	155,000	\$ 1.30	July 6, 2028	3.19
235,000	155,000	\$ 1.30		3.19

During the six-month period ended April 30, 2025, a total of 186,000 options expired unexercised.

Share Purchase Warrants

The continuity of share purchase warrants is as follows:

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	Number of Warrants	Weighted Average Exercise Price
Balance - October 31, 2023	3,474,883	1.80
Expired	(1,254,693)	1.80
Issued	1,800,350	1.20
Balance - October 31, 2024	4,020,540	1.59
Expired	(562,850)	(1.80)
Issued	3,839,333	0.17
Balance - April 30, 2025	7,297,023	\$ 0.83

Details of share purchase warrants outstanding at April 30, 2025:

Number of warrants	Exercise price	Expiry date	Remaining life (Years)
1,657,340	1.80	May 11, 2025	0.03
933,500	1.40	November 20, 2025	0.56
462,750	1.20	November 20, 2025	0.56
226,800	1.40	December 18, 2025	0.64
177,300	1.20	December 18, 2025	0.64
1,846,250	0.20	December 30, 2027	2.67
1,519,155	0.15	March 11, 2028	2.87
473,928	0.15	April 14, 2028	2.96
7,297,023	0.83		1.61

On November 21, 2024, 562,850 warrants expired unexercised.

13. 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:

- Included in accounts payable and accrued liabilities at April 30, 2025 is \$629,173 (2024 - \$875,899) owing to current and former directors and officers.
- During the year ended October 31, 2024, the Company incurred office rent of \$20,000 (2023 - \$30,000) and exploration equipment rent of \$47,600 (2023 - \$Nil) to a company controlled by the former CEO of the Company. During the three-month period ended January 31, 2025, the Company incurred office rent of \$Nil (2024 - \$7,500) to a company controlled by the former CEO of the Company.

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- c) During the year ended October 31, 2024, the Company purchased certain lab and field equipment costing \$Nil (2023 - \$75,000) from a company associated with the former CEO and a company controlled by the former CEO.

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.

	Three Months Ended		Six Months Ended	
	April 30,		April 30,	
	2025	2024	2025	2024
Consulting fees, salaries & benefits, office administration, management fees	\$ 52,000	\$ 44,000	\$ 118,000	\$ 93,000
Consulting fees capitalized to the plants	-	15,000	-	30,000
Share-based payments	-	-	-	-
Rent	-	7,500	-	15,000
	\$ 52,000	\$ 66,500	\$ 118,000	\$ 138,000

14. RESEARCH AND DEVELOPMENT

	Three Months Ended		Six Months Ended	
	April 30,		April 30,	
	2025	2024	2025	2024
Research and development	\$ 12,849	\$ -	\$ 26,355	\$ -

Research and development expenses include 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

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qualified electrolyte production expenditures as submitted by the Company up to an aggregate amount of \$500,000. At October 31, 2024, \$598,057 (2023 - \$242,000) of qualifying expenditures have been incurred and the Company recognized total government grant credits of \$323,000 (2023 - \$165,000) of which \$Nil (2023 - \$77,000) has been treated as a recovery of electrolyte start-up costs in the statement of loss, and \$323,000 has been recorded as a credit to Plant No. 1 (Note 6) in the statement of financial position (2023 - \$88,000 recognized as deferred income). During the six-month period ended April 30, 2025, the Company did not recognize any government grant credits (2024 - \$323,000). At April 30, 2025, \$Nil (2024 - \$Nil) is included in receivables.

15. 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. Cash is held with major brokerage houses and major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. 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.

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. 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:

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	Within 1 year	Within 2 to 3 years	Within 4 to 5 years	Total
Accounts Payable	1,648,913	-	-	1,648,913
Loans payable	275,235	440,376	91,746	807,357
	1,924,148	440,376	91,746	2,456,270

Due to the financings completed in fiscal 2024 and 2025, 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.

16. 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 and the continued development of the Company's Plants. 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 electrolyte 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 six-month period ended April 30, 2025, compared to the six-month period April 30, 2024. The Company is not subject to externally imposed capital requirements.

17. 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.

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18. 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 both Canada and Germany. At April 30, 2025, the long-term assets of \$1,542,200 (2024 - \$1,483,674), \$64,000 (2024 - \$64,000), \$7,005 (2024 - \$8,183), \$332,736 (2024 - \$336,094) and \$7,488,591 (2024 - \$7,121,955) relate to Plant No. 1, Plant No. 2, equipment, patent and exploration and evaluation assets, respectively, located in Canada.

19. COMMITMENT

During the year ended October 31, 2024, the Company entered into a flow-through share subscription agreement whereby it was obligated to incur \$1,082,300 on flow-through eligible expenditures by December 31, 2024.

At October 31, 2024, the Company had incurred \$763,023 eligible exploration expenditures and, as a result, it recognized \$152,605 recovery on flow-through liability for the year ended October 31, 2024. At December 31, 2024, the Company had incurred \$1,082,300 of eligible exploration expenditures and, as a result, it recognized the remaining amount of \$63,855 recovery on flow-through liability during the six-month period ended April 30, 2025.

20. SUBSEQUENT EVENT

On June 12, 2025, the Company granted, pursuant to its 10-per-cent rolling stock option plan, stock options to certain eligible directors, officers and consultants of the Company to purchase a total of 1,076,714 common shares in the capital of the company, subject to any regulatory approval. The stock options are exercisable for a period of five years at an exercise price of \$0.12 per share, and vest as to 50% immediately and 50% in one year from the date of grant.