VANADIUM ONE IRON CORP.
(formerly Vanadium One Energy Corp.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE- MONTH PERIODS ENDED NOVEMBER 30, 2019 AND 2018

UNAUDITED - PREPARED BY MANAGEMENT

EXPRESSED IN CANADIAN DOLLARS

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

To the Shareholders of Vanadium One Iron Corp. (the "Company"):

The accompanying financial statements of the Company are the responsibility of management.

The financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of statement of financial position. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Cliff Hale-Sanders	/s/ Jacques Arsenault
President and CEO	Chief Financial Officer

Toronto, ON, Canada

January 24, 2020

Vanadium One Iron Corp.
(formerly Vanadium One Energy Corp.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Canadian dollars)

As at,	**November 30, 2019** (unaudited) **$**	**February 28, 2019** (audited) $
ASSETS		
Current assets		
Cash and cash equivalents (note 7)	**393,076**	47,809
Restricted cash (note 7)	**-**	132,658
Receivables and others (note 8)	**40,752**	125,214
Prepaid expenses	**-**	19,461
	433,828	325,142
Fixed assets (note 9)	**9,660**	14,490
Exploration and evaluation assets (note 10)	**3,144,948**	2,864,867
	3,588,436	3,204,499
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	**446,335**	259,985
Flow-through share premium	**-**	31,838
	446,335	291,823
SHAREHOLDERS' EQUITY		
Capital stock, issued and outstanding (note 12)	**9,620,786**	9,037,854
Capital stock, shares to be issued	**26,236**	-
Reserves	**2,244,031**	2,051,096
Accumulated other comprehensive deficit	**(5,674)**	(5,674)
Accumulated deficit	**(8,743,278)**	(8,170,600)
	3,142,101	2,912,676
	3,588,436	3,204,499

Going Concern (note 2), commitments and contingencies (note 18) and subsequent events (note 19)

Approved on behalf of the Board on January 24, 2020:

/s/ Cliff Hale-Sanders
President and CEO

/s/ Jacques Arsenault
Chief Financial Officer

Accompanying notes form an integral part of these interim consolidated financial statements

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(In Canadian dollars)

For the period ended November 30,	Three months ended		Nine months ended	
	2019	2018	**2019**	2018
	$	$	**$**	$
General and administrative expenses	**20,911**	119,135	**152,168**	171,580
Professional and consulting fees	**17,100**	38,500	**139,735**	110,565
Management fees (note 13)	**51,000**	87,000	**212,000**	147,000
Write-down on mineral property (note 10)	**-**	-	**1**	-
Depreciation	**2,412**	-	**4,830**	-
Share-based payment	**-**	101,747	**95,782**	101,747
	91,423	346,382	**604,516**	530,892
Deferred income tax recovery	**(31,838)**	-	**(31,838)**	-
Loss and comprehensive loss for the period	**(59,585)**	(346,382)	**(572,678)**	(530,892)
Basic and diluted loss per share	**(0.001)**	(0.007)	**(0.011)**	(0.011)
Weighted average number of common shares outstanding - basic and diluted	**53,699,375**	48,902,692	**52,098,889**	48,902,692

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Canadian dollars)

For the nine-month period ended,	November 30, 2019 $	November 30, 2018 $
Operating activities		
Net loss for the period	**(572,678)**	(530,892)
Adjustments for items not involving cash:		
Depreciation	**4,830**	-
Write-down on mineral property	**1**	-
Share based payment	**95,782**	101,747
	(472,065)	(429,145)
Changes in non-cash working capital items:		
HST receivable	**83,212**	(29,690)
Deferred financing costs	**1,250**	-
Prepaid expenses	**19,461**	19,428
Accounts payable and accrued liabilities	**185,762**	245,278
Flow through share premium	**(31,838)**	-
Cash used in operating activities	**(214,218)**	(194,129)
Financing activities		
Issuance of capital stock for cash	706,321	1,066,489
Cash provided by financing activities	**706,321**	1,066,489
Investing activities		
Investment in exploration and evaluation assets	**(279,494)**	(906,740)
Acquisition of fixed assets	**-**	(19,320)
Cash used in investing activities	**(279,494)**	(926,060)
Increase (decrease) in cash	**212,609**	(53,700)
Cash and cash equivalents, beginning of the period	**180,467**	461,194
Cash , end of the period	**393,076**	407,494
Cash and cash equivalents	**393,076**	369,549
Restricted cash	**-**	37,945
Cash , end of the period	**393,076**	407,494

Accompanying notes form an integral part of these interim consolidated financial statements

Vanadium One Iron Corp.
(formerly Vanadium One Energy Corp.)

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(Audited, in Canadian dollars)

	SHARE CAPITAL		SHARES TO BE ISSUED	RESERVES	ACCUMULATED OTHER COMPREHENSIVE DEFICIT	DEFICIT	TOTAL
	#	$	$	$	$	$	$
Balance - February 28, 2018	**34,475,576**	**7,950,347**	**-**	**1,574,227**	**(5,674)**	**(7,598,878)**	**1,920,022**
Private placement	9,714,784	355,458	-	324,577	-	-	680,035
Flow-through share premium	-	(261,000)	-	-	-	-	(261,000)
Private placement	3,900,000	390,000	-	-	-	-	390,000
Private placement	2,400,000	600,000	-	-	-	-	600,000
Share issue costs	-	(104,405)	-	30,000	-	-	(74,405)
Broker warrants issued	-	-	-	29,558	-	-	29,558
Warrants exercised	525,682	62,906	-	(9,558)	-	-	53,348
Stock options issued	-	-	-	107,840	-	-	107,840
Options exercised	300,000	44,548	-	(5,548)	-	-	39,000
Loss of the period	-	-	-	-	-	(571,722)	(571,722)
Balance - February 28, 2019	**51,316,042**	**9,037,854**	**-**	**2,051,096**	**(5,674)**	**(8,170,600)**	**2,912,676**
Stock options issued	-	-	-	95,782	-	-	95,782
Loss of the period	-	-	-	-	-	(339,127)	(339,127)
Balance - May 31, 2019	**51,316,042**	**9,037,854**	**-**	**2,146,878**	**(5,674)**	**(8,509,727)**	**2,669,331**
Loss of the period	-	-	-	-	-	(173,966)	(173,966)
Balance - August 31, 2019	**51,316,042**	**9,037,854**	**-**	**2,146,878**	**(5,674)**	**(8,683,693)**	**2,495,365**
Private placement	9,750,000	585,000	26,236	97,500	-	-	708,736
Share issue costs	-	(2,068)	-	(347)	-	-	(2,415)
Loss for the period	-	-	-	-	-	(59,585)	(59,585)
Balance - November 30, 2019	**61,066,042**	**9,620,786**	**26,236**	**2,244,031**	**(5,674)**	**(8,743,278)**	**3,142,101**

Accompanying notes form an integral part of these interim consolidated financial statements

1. General information and nature of operations

Vanadium One Iron Corp. ("**Vanadium One**" or the "**Company**") was incorporated on February 27, 2007 pursuant to the *Business Corporations Act* (Ontario) and was classified as engaged in the exploration of its properties for base metals and precious metals. All mineral property interests held are currently in the exploration stage. The Company listed its common shares on the TSX Venture Exchange for trading upon the completion of its initial public offering ("IPO") as disclosed in a prospectus filed with the regulators and dated May 25, 2007. On June 4, 2019 the Company changed its name from Vanadium One Energy Corp. to Vanadium One Iron Corp. The Company's shares are listed under the symbol VONE (formerly: VDR) on the TSX Venture Exchange. These interim consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the directors on January 24, 2020.

2. Going concern disclosure

The Company's principal assets are mining claims and deferred exploration costs relating to properties which are not in commercial projects. The Company is in the process of exploring its mining claims and has not yet determined whether or not the properties will contain economically recoverable reserves.

Several adverse conditions and events cast substantial doubt upon the validity of this assumption. Vanadium One is not currently generating any revenue from its operations. For the nine-month period ended November 30, 2019, the Company recorded a net comprehensive loss of $572,678 (November 30, 2018 - $530,892) and an accumulated deficit of $8,743,278 (February 28, 2019 - $8,170,600). Its ability to continue as a going concern is uncertain and is dependent upon its ability to fund its working capital, complete the development of its exploration projects, and eventually to generate positive cash flows from operations. Management plans to explore all alternatives possible, including joint ventures, debt and equity financings, and merger opportunities.

These interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and financial statement classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of preparation

Statement of Compliance
These Interim Unaudited Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These Interim Unaudited Consolidated Financial Statements should be read in conjunction with the Company's most recently issued Annual Report which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 4 of the consolidated financial statements for the years ended February 28, 2019 and 2018 and have been consistently applied in the preparation of these interim consolidated financial statements. These Interim Unaudited Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial assets which are recorded at fair value. In addition, these Interim Unaudited Consolidated Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation
The interim consolidated financial statements of the Company include the accounts of its wholly owned subsidiary Vendome Minas, S.A. de C.V. ("VDR Mexico"). The Consolidated financial statements account of VDR Mexico from the date that it commenced its operations, which was January 1, 2011.

Functional and presentation currency
These interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

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4. Summary of significant accounting policies

See annual consolidated financial statements for the years ended February 28, 2019 and 2018 for a list of accounting policies used by the Company.

5. Summary of accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. The estimates and judgments that, in management's opinion, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are disclosed in the annual audited consolidated financial statements.

See annual consolidated financial statements for the years ended February 28, 2019 and 2018 for a list of accounting estimates and judgements considered significant by management.

6. Accounting pronouncements

Accounting standard issued for adoption in future periods

The following standard has been issued but not yet effective. The Company is assessing the impact of this new standard but does not expect it to have a significant impact on the consolidated financial statements.

- On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. There are optional exemptions for short-term leases and leases of low value items. In addition, lessees will recognize a frontloaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company adopted IFRS 16 in its financial statements for the annual period beginning on March 1, 2019 and under the new standard of IFRS 16, the Company has no effect on its interim consolidated financial statements.

7. Cash and cash equivalents

Cash and cash equivalents were as follows:

	November 30, 2019	**February 28, 2019**
	$	$
Cash Canadian Banks	393,076	47,809
Restricted Cash Canadian banks - Flow-Through	-	132,658
	393,076	**180,467**

During the year ended February 28, 2019, the Company raised $990,000 through the issuance of Flow-through common shares. These funds are restricted to be spent on Canadian Exploration Expenditures. At November 30, 2019, $Nil of the total remained to be spent.

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8. Receivables and other

Receivables and other are sales tax receivable of $39,502 as at November 30, 2019 (February 28, 2019 - $125,214), and deferred financing costs of $1,250 (February 28, 2019 - $Nil).

9. Automobile

	November 30, 2019 $	February 28, 2019 $
Cost Automobile		
Opening balance	19,320	-
Additions	-	19,320
Closing balance	**19,320**	**19,320**
Accumulated Depreciation		
Opening balance	4,830	-
Depreciation for the period	4,830	4,830
Closing balance	**9,660**	**4,830**
Net book value	**9,660**	**14,490**

10. Exploration and evaluation assets

The following is a summary of the Company's investment in exploration properties:

	Ivanhoe Ontario $	San Miguel Mexico $	Clinton B.C $	Mont. Sorcier Quebec $	Total $
Balance - March 1, 2017	**1**	**1**	**137,957**	**706,683**	**844,642**
Exploration costs	975	-	5,519	594 879	601,373
Write down of mineral property	(975)	(1)	-	-	(976)
Balance - February 28, 2018	**1**	**-**	**143,476**	**1 301 562**	**1,445,039**
Acquisition costs	-	-	-	-	-
Exploration costs	-	-	26,391	1 393 437	1,419,828
Balance - February 28, 2019	**1**	**-**	**169,867**	**2,694,999**	**2,864,867**
Exploration costs	-	-	-	151,833	151,833
Write down of mineral property	(1)	-	-	-	(1)
Balance - May 31, 2019	**-**	**-**	**169,867**	**2,846,832**	**3,016,699**
Exploration costs	-	-	-	45,676	45,676
Balance - August 31, 2019	**-**	**-**	**169,867**	**2,892,508**	**3,062,375**
Exploration costs	-	-	-	82,573	82,573
Balance - November, 2019	**-**	**-**	**169,867**	**2,975,081**	**3,144,948**

(i) ***Ivanhoe Lake Property:*** The mineral leases for the Ivanhoe Lake Property were not renewed in March 2019 and all mineral leases related to Ivanhoe Lake have been discarded. Ivanhoe Lake was a greenfield exploration property with possible gold as the target. The Company is focused on Iron, Vanadium and Manganese and determined that the Ivanhoe Lake profile did not fit with management's vision of the Company.

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(ii) ***Clinton Manganese Property, British Columbia:*** In July 2016, the Company agreed to acquire a 100% interest in the Clinton Manganese property ("Clinton Property") located near Clinton in British Columbia, Canada. The agreement called for a payment of $20,000 and the issuance of 12,000,000 (pre-consolidation) common shares at $0.0075. In addition, a finder's fee of 1,400,000 (pre-consolidation) common shares at $0.0075 were issued in relation of the acquisition.

(iii) ***Mont Sorcier, Iron Ore and Vanadium Project, Quebec:*** In October 2016, the Company agreed to acquire a 100% interest in the Mont Sorcier Iron Ore and Vanadium property ("Mont Sorcier") located near Chibougamau in Quebec, Canada. The Company paid $150,000 in cash and issued 2,750,000 common shares at $0.175. In order to earn its interest, the Company is obligated to undertake a minimum of $1 million in exploration expenditures on the property within in the first 24 months following signature of the agreement. The Vendor, 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 300,000 post consolidation common shares of the Company at $0.175 was issued in relation to the acquisition. During the previous fiscal year, the Company spent the required funds and earned a 100% interest in the claims subject to the 1%, plus 2%, GMR.

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities were comprised of the following balances:

	November 30, 2019	**February 28, 2019**
	$	$
Accounts payable	345,865	170,835
Accrued liabilities	100,469	89,150
	446,335	**259,985**

Accounts payable and accrued liabilities includes an amount of $73,374 as at November 30, 2019 (February 28, 2019 - $8,236) due to related parties (see Note 13).

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12. Shareholders' Equity

(i) Share capital

Authorized and issued: the Company is authorized to issue an unlimited number of common shares. The issued and outstanding common shares are as follows:

	November 30, 2019	February 28, 2019
Shares issued and fully paid:		
Beginning of the year	51,316,042	34,475,576
Private placements	9,750,000	16,014,784
Stock options exercised	-	300,000
Warrants exercised	-	525,682
Shares issued and fully paid end of the period	**61,066,042**	**51,316,042**
For each class of share capital:		
The number of shares authorized		Unlimited
The number of shares issued and fully paid		61,066,042
The number of shares issued but not fully paid		Nil
Par value per share, or that the shares have no par value		no par value

a) On December 19, 2017, the Company announced it has completed a private placement financing. Pursuant to the financing, the Company issued 4,636,454 "flow-through" common shares at a price of $0.11 per share for gross proceeds of $510,009.94. 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 6% of the gross proceeds raised in the Financing for a total amount of $30,000.

b) A total of 1,286,747 warrants were exercised during the year ended February 28, 2018. The Company issued 1,286,747 common shares for warrants exercised.

c) On October 17, 2018, the Company announced it has completed a non-brokered private placement financing. Pursuant to the financing, the Company issued 3,900,000 "flow-through" shares at a price of $0.10 per share for gross proceeds of $390,000. In addition, the Company issued 9,714,784 units at $0.07 per unit, for gross proceeds of $680,034.88. Each unit will consist of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle its holder to purchase one additional common share at an exercise price of $0.14 for a period of 24 months following the closing date of the private placement. The Company paid aggregate finders' fees consisting of $38,849.09 in cash and 396,571 non-transferrable finders' warrants. Each finders warrant entitles the holder thereof to purchase one Unit at a price of $0.07 per Unit for a period of 24 months from the issue date.

d) On December 21, 2018, Vanadium One announced it has completed a non-brokered private placement financing. Pursuant to the financing, the Company issued 2,400,000 "flow-through" shares at a price of $0.25 per share for gross proceeds of $600,000. There were no warrants attached to this financing and no officers, directors or insiders participated in this private placement. In connection with the financing, the Company paid aggregate finders' fees equal to 5% of the proceeds for a total of $30,000 in cash. 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. The Company anticipates that the proceeds of the financing will be used to continue its exploration activities at its Mont Sorcier Iron Ore and Vanadium project.

e) A total of 525,682 warrants and 300,000 stock options were exercised during the year ended February 28, 2019. The Company issued 825,682 common shares for warrants and stock options exercised.

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The Company recognized a premium on the issuance Flow-through shares in the year 2018 in the amount of $261,000 and set up a corresponding liability for this amount. As funds have been expended in the current year this liability has been reversed and offset against deferred income tax. At November 30, 2019 the balance of the liability was $Nil.

f) On November 9, 2019, Vanadium One announced it has completed the first tranche of a non-brokered private placement financing. Pursuant to the financing, the Company issued 9,750,000 common share units at a price of $0.07 per unit for gross proceeds of $682,500. Each unit will consist of one common share in the capital of the Company and one-half common share purchase warrant. Each warrant will entitle its holder to purchase one additional common share at an exercise price of $0.11 for a period of 24 months following the closing date of the private placement. A cash fee of $2,415 was incurred as unit issuance costs.

(ii) Stock Options

The Company's Stock Option Plan ("the "**Plan**") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Company's common shares on the date of the grant to directors, officers, employees and consultants to the Company. The option period for options granted under the Plan is for a maximum period of 5 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised. All options are being issued under the terms of the Company's Stock Option Plan which was approved by shareholders at the Company's Annual General and Special Meeting on December 18, 2018. Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option. The stock options activity is summarized below:

	November 30, 2019		**February 28, 2019**	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	3,650,000	0.156	2 650,000	0.160
Exercised during the period	-	-	(100,000)	0.120
Exercised during the period	-	-	(200,000)	0.135
Cancelled	-	-	(150,000)	0.200
Expired during the period	(900,000)	0.200	-	-
Granted during the period	1,350,000	0.150	1,450,000	0.150
Balance at end of year	**4,100,000**	**0.144**	**3,650,000**	**0.156**

- On March 12, 2017, the Company announced that 750,000 incentive stock options were granted to Directors, Officers and Consultants of the Company. The options are exercisable at $0.135 per option for a period of 3 years from the date of grant and vest immediately.

  The fair value of the 750,000 stock options at the issue date was $71,608, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: a 36-month expected average life; share price of $0.15; 157% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options.

- On October 23, 2018, the Company announced that 1,450,000 incentive stock options were granted to Directors, Officers and Consultants of the Company. The options are exercisable at $0.15 per option for a period of 3 years from the date of grant and vest immediately.

  The fair value of the 1,450,000 stock options at the issue date was $107,840, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: a 36-month expected average life; share price of $0.15; 144% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options.

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- On March 27, 2019, the Company announced that 1,100,000 incentive stock options were granted to Directors and employees of the Company. The options are exercisable at $0.15 per option for a period of 3 years from the date of grant and vest immediately.

  The fair value of the 1,100,000 stock options at the issue date was $80,664, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: a 36-month expected average life; share price of $0.125; 100% expected volatility; risk free interest rate of 1.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options.

- On March 27, 2019, the Company retains Red Cloud Klondike Strike Inc. to assist the Company with accelerated capital markets outreach and agreed to pay them a fee of $10,000 per month for a six-month period and to grant them up to 250,000 options in the Company exercisable at $0.15 per option for a period of 2 years from the date of grant and vest immediately.

  The fair value of the 250,000 stock options at the issue date was $15,118, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: a 24-month expected average life; share price of $0.125; 100% expected volatility; risk free interest rate of 1.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. As at November 30, 2019 stock option issued and outstanding are as follows:

Exercisable	Weighted Average Exercise Price ($)	Expiry dates
100,000	0.200	December 16, 2019
650,000	0.120	January 9, 2020
550,000	0.135	March 11, 2020
1,450,000	0.150	October 23, 2021
250,000	0.150	March 27, 2021
1,100,000	0.150	March 27, 2022
4,100,000	**0.144**	

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(iii) Warrants

The following is a summary of warrants outstanding:

	November 30, 2019		February 28, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance at beginning of the period	12,470,533	0.13	11,707,622	0.21
Warrants expired	(200,494)	0.15	(802,667)	0.12
Warrants expired	(1,439,405)	0.10	(8,416,666)	0.25
Warrants expired	(322,708)	0.12	-	-
Warrants exercised	-	-	(525,682)	0.10
Warrants issued	4,875,000	0.11	9,714,784	0.14
Warrants issued	-	-	793,142	0.07
Balance at end of the period	**15,382,926**	**0.13**	**12,470,533**	**0.13**

The fair value of the warrants was based on the Black-Scholes option-pricing model. The following assumptions were used to value them:

Number of warrants	**1,439,405**	**200,494**	**322,708**	**9,714,784**	**793,142**	**4,875,000**
Exercise price ($)	0.10	0.15	0.12	0.14	0.07	0.11
Expected volatility	50%	50%	50%	144%	144%	125%
Expected warrant life	3 years	2.5 years	2 years	2 years	2 years	2 years
Expected dividend yield	N/A	N/A	N/A	N/A	N/A	N/A
Risk-free interest rate	0.5%	0.5%	0.5%	0.5%	0.5%	1.6%

As at November 30, 2019, the outstanding post-consolidation share purchase warrants are as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry
0.14	9,714,784	1.2	October 17, 2020
0.07	793,142	1.2	October 17, 2020
0.11	4,875,000	1.9	November 8, 2021
0.13	**15,382,926**	**1.2**	

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13. Related Party Transactions

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:

For the nine-month period ended,	**November 30, 2019**	**November 30, 2018**
	$	$
Management fees paid to company controlled by an officer	222,277	90,000
Consulting fees paid to a company controlled by an officer	13,560	13,500
Management fees paid to companies controlled by Directors	60,297	57,000
Expenses reimbursed to a company controlled by an officer	25,379	-
Expenses reimbursed to an officer	34,749	18,746
Expenses reimbursed to a director	24,833	-
Share based payments to officers and directors	95,782	-
Geological fees and expenses paid to a director, charged to mineral properties	42,247	-
	519,124	**179,246**

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.

For the three-month period ended,	**November 30, 2019**	**November 30, 2018**
	$	$
Management fees paid to company controlled by an officer	63,741	30,000
Consulting fees paid to a company controlled by an officer	5,085	4,500
Management fees paid to companies controlled by Directors	15,097	57,000
Expenses reimbursed to a company controlled by an officer	-	-
Expenses reimbursed to a company controlled by a Director	-	-
Expenses reimbursed to an officer	34,749	-
Expensed reimbursed to a director	24,833	9,220
Share based payments to officers and directors	-	-
Geological fees and expenses paid to a director, charged to mineral properties	6,605	-
	150,110	**100,720**

Certain officers and directors of the Company participated in the financing closed on November 8, 2019, purchasing in aggregate 4,850,000 Units.

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

Outstanding balances owing to related parties as at,	**November 30, 2019**	**November 30, 2018**
	$	$
Expenses reimbursed to an officer	34,749	-
Expenses reimbursed to a company controlled by a Director	2,233	-
Management fees paid to companies controlled by Directors	2,667	-
Consulting fees paid to a company controlled by an officer	27,120	1,695
Amounts payable to a Director for geological fees and expenses	6,605	-
	73,374	**1,695**

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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. These amounts include amounts paid to the CEO and CFO of the Company.

14. Segmented Information

The Company's remaining interests in Mexico are not individually significant, as they do not meet the minimum quantitative thresholds. Accordingly, the chief decision makers consider Vanadium One Iron Corp. to currently have one segment and, therefore, segmented information is not presented.

15. Capital Management and Liquidity

The Company considers its capital structure to consist of its cash, common shares, stock options and warrants. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSX-V") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of November 30, 2019, the Company may not be totally compliant with the policies of the TSX-V. The impact of this violation is not known and is ultimately dependent on the discretion of the TSX-V. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended November 30, 2019 and 2018. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements. The Company's capital for the reporting periods is summarized as follows:

	November 30, 2019	**February 28, 2019**	**November 30, 2018**
	$	$	$
Cash	393,076	180,467	407,494
Common shares	9,620,786	9,037,854	8,615,208
Shares to be issued	26,236	-	-
Reserves	2,244,031	2,051,096	2,077,602
Deficit	(8,743,278)	(8,170,600)	(8,129,770)
	3,540,851	**3,098,817**	**2,970,534**

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16. Financial Instruments

Financial Instruments details can be summarized as follows:

	Level of Fair Value Measurement	Balance as at November 30, 2019	Balance as at November 30, 2018
		$	$
Loans and receivables			
Cash and cash equivalents	Level 1	393,076	407,494
Interest and sundry receivables	Level 2	40,752	114,651
		433,828	**522,145**
Financial liabilities measured at amortized cost			
Accounts payable and accrued liabilities	Level 1	446,335	345,907
		446,335	**345,907**

Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest-bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk.

The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Company.

17. Financial Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and interest rate risk.

(i) **Credit risk**
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company is not exposed to credit risk due to the nature of the collectible accounts. At November 30, 2019 and 2018, the Company does not have any allowance for doubtful accounts. Management actively monitors the Company's exposure to credit risk under its financial instruments, including with respect to amounts receivable. The Company considers the risk of loss for its amounts receivable to be remote and significantly mitigated due to the financial strength of the party from whom the receivables are due - the Canadian government for harmonized sales tax ("HST") refunds receivable.

(ii) **Liquidity risk**
Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities. Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity. In addition to having a working capital deficiency the Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. It is anticipated that the Company will continue to rely on equity financing to meet its ongoing working capital requirements. The Company has a significant working capital deficiency at period end and therefore liquidity risk is considered high.

(iii) **Market risk**
Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net income or the value of financial instruments. These risks are generally outside the control of the Company. The objectives of the Company are to mitigate market risk exposure within acceptable limits, while maximizing returns. The Company has no significant exposure to market risk.

(iv) **Interest rate sensitivity**
The Company has no significant exposure at November 30, 2019 and 2018 to interest rate risk through its financial instruments.

18. Commitments and contingencies

From time to time, the Company may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Company. As at November 30, 2019 the Company's management is not aware of any commitments and/or contingencies.

19. Subsequent events

On December 10, 2019, the Vanadium One announced that it has completed the second tranche of its non-brokered private placement financing. Pursuant to the financing, the Company issued a total of 2,160,715 common share units at a price of $0.07 per unit for gross proceeds of $151,250. A total of 9,750,000 common share units at a price of $0.07 per unit for gross proceeds of $682,500 were previously issued on November 8, 2019 on the closing of the first tranche of the private placement. In addition, the Company issued 1,900,000 units of Charity Flow-Through Units ("CFT Unit") at a price of $0.12 per CFT unit for gross proceeds of $228,000. Each Unit and CFT Unit is comprised of one common share plus one-half warrant. Each full warrant entitles its holder to purchase one additional common share at an exercise price of $0.11 for a period of 2 years from the closing date of the private placement.

The Company intends to use the gross proceeds of the offering to fund costs to continue exploration and development of the preliminary economic assessment of the Company's Mont Sorcier Iron and Vanadium Property and for general administration purposes.

In conjunction with the closing of the financing, the Company granted to certain employees, advisors, and directors of the Company, pursuant to the Company's stock option plan, a total of 2,450,000 stock options, each such option entitling the holder to purchase one (1) common share of the Company at a price of $0.10 for a period of 2 years.

On December 11, 2019 Vanadium One announced that it had retained CSA Global pty Ltd to assist in advancing the company's Mont Sorcier magnetite iron ore and vanadium project, located in Chibougamau, Que. Under the terms of the contract, CSA Global will provide technical, preliminary mine design and concentrator flowsheet and deliver a Preliminary Economic Assessment (PEA) and a National Instrument 43-101 technical report for the Mont Sorcier project. CSA Global already has significant knowledge of the Mont Sorcier project having completed the NI43-101 resource statement earlier in 2019. The Company expects to release the results of this work in Q1/2020.

On January 24, 2020 the Company granted to certain employees, advisors, and directors of the Company, pursuant to the Company's stock option plan, a total of 300,000 stock options, each such option entitling the holder to purchase one (1) common share of the Company at a price of $0.10 for a period of 2 years.