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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE- MONTH PERIODS ENDED MAY 31, 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/ W. John Priestner	/s/ Jacques Arsenault
President and COO	Chief Financial Officer

Burlington, ON, Canada

July 30, 2019

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Canadian dollars)

As at,	**May 31, 2019** (unaudited) $	**February 28, 2019** (audited) $
ASSETS		
Current assets		
Cash and cash equivalents (note 7)	**14 275**	47 809
Restricted cash (note 7)	**46 666**	132 658
Receivables and others (note 8)	**78 648**	125 214
Prepaid expenses	**-**	19 461
	139 589	325 142
Fixed assets	**13 281**	14 490
Exploration and evaluation assets (note 9)	**3 016 699**	2 864 867
	3 169 569	3 204 499
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	**468 400**	259 985
Flow-through share premium	**31 838**	31 838
	500 238	291 823
SHAREHOLDERS' EQUITY		
Capital stock, issued and outstanding (note 11)	**9 037 854**	9 037 854
Reserves	**2 146 878**	2 051 096
Accumulated other comprehensive deficit	**(5 674)**	(5 674)
Accumulated deficit	**(8 509 727)**	(8 170 600)
	2 669 331	2 912 676
	3 169 569	3 204 499

Going Concern (note 2), commitments and contingencies (note 17) and subsequent events (note 18)

Approved on behalf of the Board on July 30, 2019:

/s/ W. John Priestner
President and COO

/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,	**May 31, 2019** **$**	**May 31, 2018** **$**
General and administrative expenses	**78 785**	20 195
Professional and consulting fees	**69 350**	26 229
Management fees (note 13)	**94 000**	30 000
Write-down on mineral property (note 10)	**1**	-
Depreciation	**1 209**	-
Share based payment	**95 782**	-
	339 127	76 424
Loss and comprehensive loss for the period	**(339 127)**	(76 424)
Basic and diluted loss per share	**(0,007)**	(0,002)
Weighted average number of common shares outstanding - basic and diluted	**51 316 042**	34 475 576

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Canadian dollars)

For the period ended,	May 31, 2019 $	May 31, 2018 $
Operating activities		
Net loss for the period	**(339 127)**	(76 424)
Adjustments for items not involving cash:		
Depreciation	**1 209**	-
Write-down on mineral property	**1**	-
Share based payment	**95 782**	-
	(242 135)	(76 424)
Changes in non-cash working capital items:		
HST receivable	**46 566**	50 482
Prepaid expenses	**19 461**	19 428
Accounts payable and accrued liabilities	**208 415**	(35 541)
Cash used in operating activities	**32 307**	(42 055)
Financing activities		
	-	-
Cash provided by financing activities	**-**	-
Investing activities		
Investment in exploration and evaluation assets	**(151 833)**	(193 253)
Cash used in investing activities	**(151 833)**	(193 253)
Increase (decrease) in cash	**(119 526)**	(235 308)
Cash and cash equivalents, beginning of the period	**180 467**	461 194
Cash , end of the period	**60 941**	225 886
Cash and cash equivalents	**14 275**	119 892
Restricted cash	**46 666**	105 994
Cash , end of the period	**60 941**	225 886

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		RESERVES	ACCUMULATED OTHER COMPREHENSIVE DEFICIT	DEFICIT	TOTAL
	#	$	$	$	$	$
Balance - March 1, 2017	**28 552 375**	**7 307 605**	**1 542 600**	**(5 674)**	**(6 848 060)**	**1 996 471**
Stock options issued	-	-	83 770	-	-	83 770
Warrants exercised	1 286 747	162 732	(52 143)	-	-	110 589
Private placement	4 636 454	480 010	-	-	-	480 010
Loss of the period	-	-	-	-	(750 818)	(750 818)
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)
Broke 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**

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 July 30, 2018.

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 three-month period ended May 31, 2019, the Company recorded a net comprehensive loss of $339,127 (May 31, 2018 - $76,424) and an accumulated deficit of $8,509,727 (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 Company's functional currency.

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.

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

7. Cash and cash equivalents

Cash and cash equivalents were as follows:

	May 31, 2019 $	February 28, 2019 $
Cash Canadian Banks	14 275	47 809
Restricted Cash Canadian banks - Flow-Through	46 666	132 658
	60 941	**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 May 31, 2019, $46,666 of the total remained to be spent.

8. Receivables and other

Receivables and other are sales tax receivable of $78,648 as at May 31, 2019 (February 28, 2019 - $125,214).

9. Automobile

	May 31, 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	1 209	4 830
Closing balance	**6 039**	**4 830**
Net book value	**13 281**	**14 490**

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

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**

(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.

(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.

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

11. Accounts payable and accrued liabilities

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

	May 31, 2019	**February 28, 2019**
	$	$
Accounts payable	402 251	170 835
Accrued liabilities	66 149	89 150
	468 400	**259 985**

Accounts payable and accrued liabilities includes an amount of $8,997 as at May 31, 2019 (February 28, 2019 - $8,236) due to related parties (see Note 13).

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:

	May 31, 2019	**February 28, 2019**
Shares issued and fully paid:		
Beginning of the year	51 316 042	34 475 576
Private placements	-	16 014 784
Stock options exercised	-	300 000
Warrants exercised	-	525 682
Shares issued and fully paid end of the period	**51 316 042**	**51 316 042**
For each class of share capital:		
The number of shares authorized		Unlimited
The number of shares issued and fully paid		51 316 042
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.

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

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 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.

The Company recognized a premium on the issuance Flow-through shares in the year in the amount of $261,000 and set up a corresponding liability for this amount. As funds have been expended in the year this liability has been reversed and offset against deferred income tax. At year end the balance of the liability was $31,838.

There was no transaction during the three-month period ended May 31, 2019.

(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:

	May 31, 2019		**February 28, 2019**	
	Number of units	Weighted average exercise price	Number of units	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
Granted during the period	1 350 000	0,150	1 450 000	0,150
Balance at end of year	**5 000 000**	**0,154**	**3 650 000**	**0,156**

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

- 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.

- 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 May 31, 2019 stock option issued and outstanding are as follows:

Exercisable	Weighted Average Exercise Price ($)	Expiry dates
1 000 000	0,200	September 2019
650 000	0,120	January 2020
550 000	0,135	March 2020
1 450 000	0,150	October 2021
250 000	0,150	March 2021
1 100 000	0,150	March 2022
5 000 000	**0,154**	

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

(iii) Warrants

The following is a summary of warrants outstanding:

	May 31, 2019		**February 28, 2019**	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of the year	12 470 533	0,13	11 707 622	0,21
Warrants expired	-	-	(802 667)	0,12
Warrants expired	-	-	(8 416 666)	0,25
Warrants exercised	-	-	(525 682)	0,10
Warrants issued	-	-	9 714 784	0,14
Warrants issued	-	-	793 142	0,07
Balance at end of the year	**12 470 533**	**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**
Exercise price ($)	0,10	0,15	0,12	0,14	0,07
Expected volatility	50%	50%	50%	144%	144%
Expected warrant life	3 years	2,5 years	2 years	2 years	2 years
Expected dividend yield	N/A	N/A	N/A	N/A	N/A
Risk-free interest rate	0,5%	0,5%	0,5%	0,5%	0,5%

As at May 31, 2019, the outstanding post-consolidation share purchase warrants are as follows:

exercise price	**Number outstanding and exercisable**	**Weighted average remaining contractual life (years)**	**Expiry**
0,15	200 494	0,1	June 2019
0,10	364 500	0,2	July 2019
0,10	1 074 905	0,3	August 2019
0,12	322 708	0,3	August 2019
0,14	9 714 784	1,4	October 2020
0,07	793 142	1,4	October 2020
0,13	**12 470 533**	**0,6**	

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

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:

Transactions during the period ended,	**May 31, 2019** $	**May 31, 2018** $
Management fees paid to company controlled by an officer	30 000	30 000
Consulting fees paid to a company controlled by an officer	4 500	4 500
Expenses reimbursed to an officer	168	2 049
Share based payments to officers and directors	80 664	-
Geological fees and expenses paid to a director, charged to mineral properties	23 226	-
	138 558	**36 549**

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.

Certain officers and directors of the Company participated in the financing closed on October 17, 2018, purchasing in aggregate 1,378,355 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,	**May 31, 2019** $	**May 31, 2018** $
Expenses reimbursed to an officer	2 392	-
Consulting fees paid to a company controlled by an officer	-	1 695
Amounts payable to a Director for geological fees and expenses	6 605	-
	8 997	**1 695**

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.

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

14. Segmented Information

The Company conducts its business in two geographic segments being Canada and Mexico and one business segment being exploration for mineral resource properties. At May 31, 2019 and 2018, the Company's mineral property interests were situated in Canada and Mexico. The following table summarizes total assets, liabilities and net losses by geographic location:

	May 31, 2019	February 28, 2019	May 31, 2018
	$	$	$
Canada	3 169 569	3 204 499	1 908 686
Mexico	-	-	-
Total assets	**3 169 569**	**3 204 499**	**1 908 686**
Canada	(500 238)	(291 823)	(65 088)
Mexico	-	-	-
Total liabilities	**(500 238)**	**(291 823)**	**(65 088)**
Canada	(339 127)	(571 722)	(76 424)
Mexico	-	-	-
Net loss	**(339 127)**	**(571 722)**	**(76 424)**

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 May 31, 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 May 31, 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:

	May 31, 2019	February 28, 2019	May 31, 2018
	$	$	$
Cash	60 941	180 467	225 886
Common shares	9 037 854	9 037 854	7 950 347
Reserves	2 146 878	2 051 096	1 574 227
Deficit	(8 509 727)	(8 170 600)	(7 675 302)
	2 735 946	**3 098 817**	**2 075 158**

UNAUDITED - PREPARED BY MANAGEMENT IN CANADIAN DOLLARS

16. Financial Instruments

Financial Instruments details can be summarized as follows:

	Level of Fair Value Measurement	Balance as at May 31, 2019	May 31, 2018
		$	$
Loans and receivables			
Cash and cash equivalents	Level 1	60 941	225 886
Interest and sundry receivables	Level 2	78 648	34 479
		139 589	**260 365**
Financial liabilities measured at amortized cost			
Accounts payable and accrued liabilities	Level 1	468 400	65 088
		468 400	**65 088**

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 May 31, 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 May 31, 2019 and 2018 to interest rate risk through its financial instruments.

(v) **Foreign Exchange Risk**

The Company is exposed to foreign currency fluctuations as the Company’s fully owned subsidiary operates in MXN pesos. The translation effects of changes in exchange rates in the Consolidated Statement of Financial Position were net translation gain of $Nil (2017 - $Nil) are recorded within Accumulated Other Comprehensive Income in Shareholders’ Equity. Management believes that foreign exchange risk is not significant as at May 31 2019 and 2018.

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 May 31, 2019 the Company’s management is not aware of any commitments and/or contingencies.

19. Subsequent events

In June 2019, the Company changed its name from Vanadium One Energy Corp. from Vanadium One Iron Corp.