VANADIUM ONE IRON CORP.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED AUGUST 31, 2020 AND 2019

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 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 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.

STATEMENTS OF FINANCIAL POSITION
(In Canadian dollars)

As at,	August 31, 2020 (unaudited) $	February 29, 2020 (audited) $
ASSETS		
Current assets		
Cash and cash equivalents (note 7)	**341,752**	140,159
Restricted cash (note 7)	**1,071,145**	116,287
Receivables and other (note 8)	**12,375**	34,284
	1,425,272	290,730
Fixed assets (note 9)	**4,830**	8,050
Exploration and evaluation assets (note 10)	**3,196,554**	3,123,504
	4,626,656	3,422,284
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	**179,962**	279,641
Flow-through share premium	**480,000**	48,453
	659,962	328,094
SHAREHOLDERS' EQUITY		
Capital stock, issued and outstanding (note 12)	**10,579,603**	9,852,092
Reserves	**2,714,308**	2,402,517
Accumulated deficit	**(9,327,217)**	(9,160,419)
	3,966,694	3,094,190
	4,626,656	3,422,284

Going Concern (Note 2), commitments and contingencies (Note 17) and subsequent events (Note 19)

Approved on behalf of the Board on October 27, 2020:

/s/ Cliff Hale-Sanders
President and CEO

/s/ Alonso Sotomayor
Chief Financial Officer

Accompanying notes form an integral part of these financial statements

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(In Canadian dollars)

For the period ended August 31,	Three months ended		Six months ended	
	2020	**2019**	**2020**	**2019**
	$	$	**$**	$
General and administrative expenses	**23,179**	52,472	**33,172**	131,257
Professional and consulting fees	**6,983**	53,285	**46,701**	122,635
Management fees (note 13)	**120,000**	67,000	**132,000**	161,000
Write-down on mineral property (note 10)	**-**	-	**-**	1
Foreign exchange loss	**-**	-	**158**	-
Depreciation	**1,610**	1,209	**3,220**	2,418
Share-based payments	**-**	-	**-**	95,782
	151,772	173,966	**215,251**	513,093
Deferred income tax recovery	**(18,529)**	-	**(48,453)**	-
Loss and comprehensive loss for the period	**(133,243)**	(173,966)	**(166,798)**	(513,093)
Basic and diluted loss per share	**(0.002)**	(0.003)	**(0.003)**	(0.010)
Weighted average number of common shares outstanding - basic and diluted	**67,105,109**	51,316,042	**66,110,527**	51,316,042

Accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
(In Canadian dollars)

For the period ended,	August 31, 2020 $	August 31, 2019 $
Operating activities		
Net loss for the period	**(166,798)**	(513,093)
Adjustments for items not involving cash:		
Write-down on mineral property	**-**	1
Depreciation	**3,220**	2,418
Share-based payments	**-**	95,782
	(163,578)	(414,892)
Changes in non-cash working capital items:		
Receivables and other	**21,909**	109,155
Accounts payable and accrued liabilities	**(11,287)**	352,909
Flow-through share premium	**(48,453)**	-
Cash used in operating activities	**(201,409)**	47,172
Financing activities		
Issuance of common shares for cash (net)	**1,519,302**	-
Cash provided by financing activities	**1,519,302**	-
Investing activities		
Expenditures in exploration and evaluation assets	**(161,442)**	(197,509)
Cash used in investing activities	**(161,442)**	(197,509)
Increase (decrease) in cash	**1,156,451**	(150,337)
Cash and cash equivalents, beginning of the period	**256,446**	180,467
Cash, end of the period	**1,412,897**	30,130
Cash and cash equivalents	**341,752**	23,623
Restricted cash	**1,071,145**	6,507
Cash, end of the period	**1,412,897**	30,130

Accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(In Canadian dollars)

	SHARE CAPITAL		SHARES TO BE ISSUED	RESERVES	ACCUMULATED OTHER COMPREHENSIVE DEFICIT	DEFICIT	TOTAL
	#	$	$	$	$	$	$
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 for the period	-	-	-	-	-	(513,093)	(513,093)
Balance - August 31, 2019	**51,316,042**	**9,037,854**	**-**	**2,146,878**	**(5,674)**	**(8,683,693)**	**2,495,365**
Private placement	13,810,715	923,645	-	138,107	-	-	1,061,752
Share issue costs	-	(14,407)	-	(2,401)	-	-	(16,808)
Flow-through share premium	-	(95,000)	-	-	-	-	(95,000)
Stock options issued	-	-	-	119,933	-	-	119,933
Loss for the period	-	-	-	-	5,674	(476,726)	(471,052)
Balance - February 29, 2020	**65,126,757**	**9,852,092**	**-**	**2,402,517**	**-**	**(9,160,419)**	**3,094,190**
Private placement	10,590,000	1,539,000	-	317,700	-	-	1,856,700
Share issue costs	-	(331,489)	-	(5,909)	-	-	(337,398)
Flow-through share premium	-	(480,000)	-	-	-	-	(480,000)
Stock options expired	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(166,798)	(166,798)
Balance - August 31, 2020	**75,716,757**	**10,579,603**	**-**	**2,714,308**	**-**	**(9,327,217)**	**3,966,694**

Accompanying notes form an integral part of these 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 in Canada. 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. The Company's shares are listed under the symbol VONE on the TSX Venture Exchange.

These interim financial statements of the Company were authorized for issue in accordance with a resolution of the directors on October 27, 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. In December 2019, a novel strain of the Coronavirus emerged in China. It has now spread to many other countries and infections have been reported globally. The extent to which the Coronavirus impacts the Company's business, including its operations, the market for its securities, and the ability to access financing will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Vanadium One is not currently generating any revenue from its operations and for the six months ended August 31, 2020, the Company recorded a net comprehensive loss of $166,798 (August 31, 2019 - $513,093) and an accumulated deficit of $9,327,217 (February 29, 2020 - $9,160,419). 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. Even if the Company has been successful in the past in doing so, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to the Company. These matters represent a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These interim 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 Unaudited Condensed Interim 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 Unaudited Condensed Interim 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 financial statements for the years ended February 29, 2020 and February 28, 2019 and have been consistently applied in the preparation of these interim financial statements.

These Interim Unaudited Financial Statements have been prepared on a historical cost basis except for certain financial assets which are recorded at fair value. In addition, these Unaudited Condensed Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency
The functional and presentation currency of Vanadium One Iron Corp. is the Canadian dollar.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates.

4. Summary of significant accounting policies

See annual financial statements for the years ended February 29, 2020 and February 28, 2019 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 financial statements.

See annual financial statements for the years ended February 29, 2020 and February 29, 2019 for a list of accounting estimates and judgements considered significant by management.

6. Accounting pronouncements

Adoption of new and amended IFRS pronouncements

The following standard has been issued by the IASB or the IFRIC that is mandatory for accounting periods commencing after March 1, 2020. The Company is assessing the impact of this new standard but does not expect it to have a significant impact on the financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after March 1, 2020. Earlier adoption is permitted.

(Expressed in Canadian dollars)

7. Cash and cash equivalents

Cash and cash equivalents were as follows:

	August 31, 2020	February 29, 2020
	$	$
Cash Canadian Banks	341,752	140,159
Restricted Cash Canadian banks - Flow-Through	1,071,145	116,287
	1,412,897	**256,446**

8. Receivables and other

Receivables and other at August 31, 2020 consists of sales tax receivable of $10,430 (February 29, 2020 - $28,171) and prepaid expenses of $1,944 (February 29, 2020 - $6,113).

9. Fixed assets

	August 31, 2020	February 29, 2020
	$	$
Cost Automobile		
Opening balance	19,320	19,320
Additions	-	-
Closing balance	**19,320**	**19,320**
Accumulated Depreciation		
Opening balance	11,270	4,830
Depreciation for the period	3,220	6,440
Closing balance	**14,490**	**11,270**
Net book value	**4,830**	**8,050**

10. Exploration and evaluation assets

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

	Ivanhoe Ontario	Clinton B.C	Mont. Sorcier Quebec	Total
	$	$	$	$
Balance - February 28, 2019	**1**	**169,867**	**2,694,999**	**2,864,867**
Exploration costs	-	-	428,505	428,505
Write down of mineral property	(1)	(169,867)	-	(169,868)
Balance - February 29, 2020	**-**	**-**	**3,123,504**	**3,123,504**
Exploration costs			73,050	73,050
Balance - August 31, 2020	**-**	**-**	**3,196,554**	**3,196,554**

(i) ***Ivanhoe Lake Property, Ontario:*** 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 was a greenfield exploration property with possible gold as the target. The Company is focused on Iron and Vanadium and determined that the Ivanhoe 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 Company is focused on Iron and Vanadium and determined that the Clinton profile did not fit with management's vision of the Company. The Company has written down the value of the Clinton Property to $Nil.

(Expressed in Canadian dollars)

(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 undertook 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 fiscal year ended February 28, 2019 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:

	August 31, 2020	February 29, 2020
	$	$
Accounts payable	85,493	166,165
Accrued liabilities	94,469	113,476
	179,962	**279,641**

Accounts payable and accrued liabilities includes an amount of $48,820 as at August 31, 2020 (August 31, 2019 - $94,904) 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:

	August 31, 2020	February 29, 2020
Shares issued and fully paid:		
Beginning of the year	65,126,757	51,316,042
Private placements	10,590,000	13,810,715
Shares issued and fully paid end of the period	**75,716,757**	**65,126,757**
For each class of share capital:		
The number of shares authorized		Unlimited
The number of shares issued and fully paid		75,716,757
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 November 9, 2019, Vanadium One announced it had 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 $2,430 was incurred as unit issuance costs.

(b) On December 10, 2019, Vanadium One announced it had 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. Each 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 24 months following the closing date of the private placement. A cash fee of $6,078 was incurred as unit issuance costs.

(Expressed in Canadian dollars)

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 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 24 months from the closing date of the private placement. A cash fee of $8,299 was incurred as unit issuance costs.

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.

The Company recognized a premium on the issuance of Flow-through shares in the year 2019 in the amount of $95,000 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 $48,453.

(c) There were no warrants or options exercised into common shares during the year ended February 29, 2020.

(d) On August 14, 2020, Vanadium One announced it had completed the first tranche of the hard dollar unit segment of its non-brokered private placement financing. Pursuant to the financing, the Company issued a total of 4,590,000 common share units at a price of $0.10 per unit for gross proceeds of $459,000. Each Unit is comprised of one common share plus one warrant. Each full warrant entitles its holder to purchase one additional common share at an exercise price of $0.15 for a period of 24 months following the closing date of the private placement. A cash fee of $5,910 was incurred as unit issuance costs.

In addition, the Company issued 6,000,000 units of Flow-Through Common Share Units ("FT Unit") at a price of $0.18 per FT Unit for gross proceeds of $1,080,000. Each FT Unit is comprised of one common share plus one warrant. Each full warrant entitles its holder to purchase one additional common share at an exercise price of $0.15 for a period of 24 months from the closing date of the private placement. A cash fee of $13,789 was incurred as unit issuance costs.

The Company intends to use the gross proceeds to drill 3,500 meters to expand resources at the Company's Mont Sorcier Iron and Vanadium Property.

The Company recognized a premium on the issuance of Flow-through shares in the year 2020 in the amount of $480,000 and set up a corresponding liability for this amount.

(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 to 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 March 18, 2020. 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:

	August 31, 2020		**February 29, 2020**	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of year	6,100,000	$0.13	3,650,000	$0.16
Granted during the period	-	-	4,100,000	0.12
Expired during the period	(550,000)	0.14	(1,650,000)	0.17
Balance at end of year	**5,550,000**	**$0.13**	**6,100,000**	**$0.13**

- 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.

(Expressed in Canadian dollars)

- 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 $119,321, 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; 178% expected volatility; risk free interest rate of 1.47%; 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 retained 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 $19,460, 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; 132% expected volatility; risk free interest rate of 1.47%; 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 December 10, 2019, 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 from the date of grant and vest immediately.

  The fair value of the 2,450,000 stock options at the issue date was $70,737, 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 $0.055; 128% expected volatility; risk free interest rate of 1.68%; 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 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 from the date of grant and vest immediately.

  The fair value of the 300,000 stock options at issue date was $6,197, 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 $0.045; 123% expected volatility; risk free interest rate of 1.53%; 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 August 31, 2020 stock options issued and outstanding are as follows:

Exercisable	Weighted Average Exercise Price ($)	Expiry dates
1,450,000	$0.15	October 23, 2021
1,100,000	$0.15	March 27, 2022
250,000	$0.15	March 27, 2021
2,450,000	$0.10	December 10, 2021
300,000	$0.10	January 24, 2022
5,550,000	**$0.13**	

(Expressed in Canadian dollars)

(iii) Warrants

The warrants activity is summarized below:

	August 31, 2020		February 29, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance at beginning of the year	18,363,284	$0.12	12,470,533	$0.13
Warrants issued	10,590,000	0.15	7,855,358	0.11
Warrants expired	-	-	(1,962,607)	0.11
Balance at end of the year	**28,953,284**	**$0.13**	**18,363,284**	**$0.12**

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

Grant date	August 14, 2020	August 14, 2020	October 17, 2018	October 17, 2018	November 8, 2019	December 6, 2019	December 6, 2019
Number of warrants	6,000,000	4,590,000	**9,714,784**	**793,142**	**4,875,000**	**1,080,358**	**1,900,000**
Fair value ($)	**0.03**	**0.03**	**0.03**	**0.04**	**0.02**	**0.02**	**0.01**
Exercise price ($)	0.15	0.15	0.14	0.07	0.11	0.11	0.11
Expected volatility	130%	130%	144%	144%	125%	123%	123%
Expected warrant life	2 years	2 years	2 years	2 years	2 years	2 years	2 years
Expected dividend yield	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Risk-free interest rate	0.25%	0.25%	0.50%	0.50%	1.60%	1.67%	1.67%

As at August 31, 2020, the outstanding share purchase warrants are as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry
0.14	9,714,784	0.13	October 17, 2020
0.07	793,142	0.13	October 17, 2020
0.11	4,875,000	1.19	November 8, 2021
0.11	1,080,358	1.27	December 6, 2021
0.11	1,900,000	1.27	December 6, 2021
0.15	4,590,000	1.93	August 4, 2022
0.15	6,000,000	1.93	August 4, 2022
0.13	**28,953,284**	**1.08**	

13. Related Party Transactions

The Company's related parties include its 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,	August 31, 2020	August 31, 2019
	$	$
Management fees to a company controlled by an officer	97,258	55,000
Management fees to officers	30,000	-
Consulting fees to a company controlled by an officer	-	9,000
Management fees to companies controlled by Directors	-	106,000
Expenses reimbursable to a company controlled by an officer	-	15,661
Expenses reimbursable to an officer	5,964	10,790
Share based payments to officers and directors	-	95,782
Geological fees and expenses to a director or officer, charged to mineral properties	22,915	31,026
	156,137	**323,259**

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.

(Expressed in Canadian dollars)

Certain officers and directors of the Company participated in the financing closed on August 14, 2020 purchasing in aggregate 1,780,000 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,	**August 31, 2020**	**August 31, 2019**
	$	$
Management fees payable to officers	26,000	-
Expenses reimbursable to an officer	3,302	37,491
Expenses reimbursable to a company controlled by a Director	3,503	23,730
Management fees payable to companies controlled by Directors	8,702	-
Consulting fees payable to a company controlled by an officer	-	8,475
Amounts payable to a director or officer for geological fees and expenses	7,313	25,208
	48,820	**94,904**

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 or accrued to the Chairman, CEO, COO and CFO of the Company.

Paid to Key Management Personnel	**August 31, 2020**	**August 31, 2019**
	$	$
Management fees	127,258	170,000
Share-based payments	-	95,782

14. Capital Management and Liquidity

The Company considers its capital structure to consist of its equity, comprised of common shares, reserves (stock options and warrants), and accumulated deficit. 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 is 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 August 31, 2020, 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 six months ended August 31, 2020 and year ended February 29, 2020. The Company is not subject to externally imposed capital requirements. The Company's capital for the reporting periods is summarized as follows:

	August 31, 2020	**February 29, 2020**
	$	$
Common shares	10,579,603	9,852,092
Reserves	2,714,308	2,402,517
Deficit	(9,327,217)	(9,160,419)
	3,966,694	**3,094,190**

(Expressed in Canadian dollars)

15. Financial Instruments

Financial Instruments details can be summarized as follows:

		Balance as at	
	Level of Fair Value Measurement	August 31, 2020 $	February 29, 2020 $
Financial assets measured at amortized cost			
Cash and cash equivalents	Level 1	1,412,897	256,446
Interest and sundry receivables	Level 2	12,375	34,284
		1,425,272	**290,730**
Financial liabilities measured at amortized cost			
Accounts payable and accrued liabilities	Level 1	179,962	279,641
		179,962	**279,641**

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.

16. 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 August 31, 2020 and February 29, 2020, 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 and the Quebec government for Quebec sales tax (QST) 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 August 31, 2020 and February 29, 2020 to interest rate risk through its financial instruments.

17. 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.

On January 9, 2019, the Company fulfilled its $1,000,000 financial commitment for exploration expenditures to Chibougamau Independent Mines Inc. (CIM) in accordance with the "Option to Purchase Agreement" dated September 29, 2016 and amended on October 14, 2016. As a result, Vanadium One Iron Corp. acquired title to 100% of all 37 claims of the Mont Sorcier Iron Ore and Vanadium Project.

As at August 31, 2020 the Company's management is not aware of any other commitments and/or contingencies.

18. Segment information

The Company operates in one business segment being iron ore exploration in Canada. As the Company is focused on exploration, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred by project. The internal reporting framework is the most relevant to assist the Board with making decisions regarding this Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

19. Subsequent events

On October 14, 2020, a total of 396,571 broker warrants with an exercise price of $0.07 were exercised into 396,571 common shares for gross proceeds of $27,760. Also, a total of 9,714,784 investor warrants with an exercise price of $0.14 expired unexercised on October 17, 2020.