



Unaudited Interim Condensed Financial Statements

Vanadian Energy Corp.

For the three months ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim condensed financial statements of Vanadian Energy Corp. have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited interim condensed financial statements.

Vanadian Energy Corp.

Interim Condensed Statements of Financial Position

(Unaudited, Expressed in Canadian Dollars)

	Note	October 31, 2023	July 31, 2023
		\$	\$
Current Assets			
Cash		21,669	2,384
Sales tax recoverable		1,775	1,765
Prepaid expenses		416	833
		23,860	4,982
Current Liabilities			
Amounts payable and accrued liabilities	6	1,188,601	1,153,279
Notes payable	4, 6	350,000	325,000
		1,538,601	1,478,279
Shareholders' Deficiency			
Share capital	5	40,852,853	40,852,853
Reserves		7,734,318	7,734,318
Deficit		(50,101,912)	(50,060,468)
		(1,514,741)	(1,473,297)
		23,860	4,982

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved on behalf of the Board:

/s/"Gordon Keep"

Director

/s/"Marc Simpson"

Director

See accompanying notes to the financial statements

Vanadian Energy Corp.

Interim Condensed Statements of Loss and Comprehensive Loss

(Unaudited, Expressed in Canadian Dollars)

		Three months ended October 31,	
	Note	2023	2022
		\$	\$
Expenses			
Consulting	6	30,000	30,000
Office and administration		292	728
Professional fees	6	187	3,422
Regulatory and transfer agent		6,068	6,150
		(36,547)	(40,300)
Other Items			
Finance expense	4	(4,932)	(4,537)
Finance income		35	86
		(4,897)	(4,451)
Loss and comprehensive loss for the period		(41,444)	(44,751)
Basic and diluted loss per share		(0.00)	(0.00)
Weighted average number of common shares outstanding, basic and diluted		42,261,150	42,261,150

See accompanying notes to the financial statements

Vanadian Energy Corp.

Interim Condensed Statements of Changes in Shareholders' Deficiency

(Unaudited, Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total Shareholders' Deficiency
		\$	\$	\$	\$
Balance, July 31, 2022	42,261,150	40,852,853	7,734,318	(49,254,035)	(666,864)
Loss and comprehensive loss for the period	-	-	-	(44,751)	(44,751)
Balance, October 31, 2022	42,261,150	40,852,853	7,734,318	(49,298,786)	(711,615)
Balance, July 31, 2023	42,261,150	40,852,853	7,734,318	(50,060,468)	(1,473,297)
Loss and comprehensive loss for the period	-	-	-	(41,444)	(41,444)
Balance, October 31, 2023	42,261,150	40,852,853	7,734,318	(50,101,912)	(1,514,741)

See accompanying notes to the financial statements

Vanadian Energy Corp.

Interim Condensed Statements of Cash Flows

(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended October 31,	
		2023	2022
		\$	\$
OPERATING ACTIVITIES			
Loss and comprehensive loss for the period		(41,444)	(44,751)
Items not involving cash:			
Finance expense - accrued	4	4,932	4,537
Changes in non-cash items:			
Amounts receivable		(10)	1,687
Prepaid expenses		417	1,300
Amounts payable and accrued liabilities		30,390	21,278
		(5,715)	(15,949)
FINANCING ACTIVITIES			
Issuance of notes payable	4	25,000	-
		25,000	-
Change in cash		19,285	(15,949)
Cash, beginning		2,384	20,130
Cash, ending		21,669	4,181

\$9,845 (July 31, 2023: \$9,845) of share issue costs, included in amounts payable and accrued liabilities at October 31, 2023.

No cash was paid for interest or income taxes during the three-month period ended October 31, 2023 and 2022.

See accompanying notes to the financial statements

Vanadian Energy Corp.

Notes to the Interim Condensed Financial Statements For the three months ended October 31, 2023 and 2022 (Unaudited, Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Vanadian Energy Corp., (the "Company") was incorporated in the province of British Columbia on April 21, 1999. The Company is publicly listed on the TSX Venture Exchange (the "TSXV") under the symbol "VEC" and its registered and records office is located at 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3. The Company is a Canadian-based exploration company focused on exploring for vanadium deposits in Manitoba. All of the Company's assets are located in Canada. The Company has not generated revenues from operations and is considered to be in the exploration stage.

As at October 31, 2023, the Company had working capital deficiency of \$1,514,741 (July 31, 2023: \$1,473,297), and had total deficit of \$50,101,912 as at October 31, 2023 (July 31, 2023: \$50,060,468).

While these financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business, there are conditions that cast significant doubt on the validity of this assumption. The Company's ability to continue as a going concern is dependent on management's capacity to identify additional sources of capital and to raise sufficient resources in order to fund on-going operating expenditures and the Company's development plan. Although management has been successful in the past, there is no assurance these initiatives will be successful in the future. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These conditions cast significant doubt as to the Company's ability to continue as a going concern.

Recent global issues, including the ongoing COVID-19 pandemic and geo-political conflicts have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

2. BASIS OF PRESENTATION

(a) *Statement of Compliance*

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. These interim condensed financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements.

These interim condensed financial statements were approved by the board of directors on December 15, 2023

(b) *Basis of Measurement*

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) *Use of Estimates and Judgments*

The preparation of the interim condensed financial statements in conformity with IAS 34 requires the use of judgments and estimates that affect the amounts reported and disclosed in the financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. For significant estimates and judgements refer to the audited consolidated financial statements for the year ended July 31, 2023.

Vanadian Energy Corp.

Notes to the Interim Condensed Financial Statements
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3. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

a) Huzyk Creek Vanadium Property

On December 12, 2018, the definitive agreement (the "Agreement") was completed, whereby the Company has the right to earn up to 100% interest in the Huzyk Creek Vanadium Property (the "Property") in north-central Manitoba. In December 2019, the Company signed an agreement to amend the terms of the payments as per below.

The Company can earn an initial 49% interest in the Property by making staged payments over three years to Rocas del Norte Incorporated (the "Vendors") totalling \$215,000, issuing 250,000 common shares and a further \$157,500 in common shares and completing \$2,500,000 of exploration on the Property. The staged payments are as follows:

- \$25,000 in cash and 250,000 common shares (paid and issued) on signing;
- \$25,000 in cash, 1,150,000 common shares, and \$250,000 in exploration expenditures (paid, issued and incurred) by December 12, 2019;
- \$25,000 in cash (paid) by June 2020;
- \$60,000 in cash, \$50,000 in common shares and \$750,000 in exploration expenditures by December 12, 2020; and
- \$80,000 in cash, \$50,000 in common shares and \$1,500,000 in exploration expenditures by December 12, 2021.

The Company can earn an additional 21% interest in the Property by making a cash payment of \$125,000, issuing \$50,000 in common shares to the Vendors, and completing \$2,225,000 of exploration on the Property which will include a preliminary economic assessment study by December 12, 2022.

The Company can earn the remaining 30% interest in the Property for a total 100% interest in the Property by completing a pre-feasibility study, along with a cash payment of \$500,000 to the Vendors by December 12, 2024.

The Vendors will retain a 2% Net Smelter Return royalty ("NSR") on the Property. The Company shall have the option to repurchase 1% of this NSR any time for \$1,000,000 in cash or shares. The Company will also have a right of first refusal on the remaining 1% NSR if the Vendors elect to sell this interest.

As at October 31, 2023, \$501,726 has been spent in exploration expenditures (July 31, 2023: \$501,726).

As at October 31, 2023, the Company has not fulfilled the staged payment and exploration expenditures required by December 12, 2020, December 12, 2021, and December 12, 2022 as per the Agreement. The Company has given the Vendors a Force Majeure letter to pause the requirements of the Agreement until COVID-19 issues have been brought under control. The Vendors have acknowledged the Force Majeure letter. As at the date of this report, the Force Majeure letter is still in force and the Agreement is in good standing.

During the year ended July 31, 2023, the Company impaired the Huzyk Creek Vanadian Property in the amount of \$623,976 as substantive expenditures on further exploration for and evaluation of mineral resources in the specific area was neither budgeted nor planned.

b) Clearwater Project

The Company holds a 25% interest in the Clearwater Project in northern Saskatchewan, which is carried at \$nil.

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3. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Pipewrench Lake and Narrows Lake Properties

The Company holds three claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties, which is carried at \$nil.

4. NOTES PAYABLE

As at October 31, 2023, notes payable of \$350,000 (July 31, 2023: \$325,000) were outstanding to a director of the Company. The notes accrue interest at 6% per annum and are payable on demand. During the three months ended October 31, 2023, interest on notes payable of \$4,932 was accrued (October 31, 2022: \$4,537). As at October 31, 2023, accrued interest on notes payable of \$121,087 (July 31, 2023: \$116,156) is included in amounts payable and accrued liabilities.

5. EQUITY

(a) Authorized

Unlimited number of common shares with no par value.
Unlimited number of preferred shares with no par value.

(b) Issued and fully paid common shares

As at October 31, 2023, there were 42,261,150 common shares issued and outstanding.

During the three months ended October 31, 2023 and 2022, there were no share capital transactions.

(c) Share options

The Company has established a rolling Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three-month period. All other options vest at the discretion of the Board of Directors.

There were no share options granted during the three-month period ended October 31, 2023 and 2022.

A summary of the changes in share options is presented below:

	Outstanding	Weighted average exercise price
		\$
Balance, July 31, 2021 and 2022	3,470,000	0.27
Cancelled	(455,000)	0.27
Balance, July 31, 2023 and October 31, 2023	3,015,000	0.27

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5. EQUITY (Continued)

The following table summarizes information about the share options outstanding and exercisable at October 31, 2023:

Outstanding and exercisable	Exercise price	Expiry Date	Weighted average remaining contractual life (years)
	\$		
562,500	0.52	March 3, 2024	0.3
1,262,500	0.36	September 29, 2026	2.9
1,190,000	0.055	April 1, 2029	5.4
3,015,000			3.4

6. RELATED PARTY TRANSACTIONS

During the three months ended October 31, 2023, the Company:

- (a) Incurred consulting fees of \$30,000 (three months ended October 31, 2022: \$30,000) to a company of which a director of the Company is an officer. As at October 31, 2023, \$613,500 (July 31, 2023: \$582,000) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.
- (b) As at October 31, 2023, \$142,954 (July 31, 2023: \$142,954) is due to a company of which a director of the Company is an officer and director and included in amounts payable and accrued liabilities in the statements of financial position.
- (c) Incurred legal fees included in professional fees of \$187 (three months ended October 31, 2022: \$Nil) to a company of which a director of the Company is an officer. As at October 31, 2023, \$75,072 (July 31, 2023: \$74,876) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.
- (d) As at October 31, 2023, notes payable of \$350,000 (July 31, 2023: \$325,000) and accrued interest of \$121,087 (July 31, 2023: \$116,156) is due to a director of the Company and included in notes payable and amounts payable and accrued liabilities, respectively, in the statements of financial position (Note 4).

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There was no key management compensation during the three-month period ended October 31, 2023 and 2022.

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7. FINANCIAL INSTRUMENTS

Fair values

Cash, sales tax recoverable, amounts payable and accrued liabilities, and notes payable are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy. The measurement is classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

- | | |
|-----------|---|
| Level 1 – | Unadjusted quoted prices in active markets for identical assets or liabilities, |
| Level 2 – | Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and |
| Level 3 – | Inputs that are not based on observable market data |

The carrying value amount of the Company's financial instruments that are measured at amortized cost approximates fair value due to their short-term nature and market conditions.