The following discussion is management's assessment and analysis of the results and financial condition of Vanadian Energy Corp. (the "Company"), and should be read in conjunction with the accompanying audited financial statements and related notes. The preparation of financial data is in accordance with International Financial Reporting Standards ("IFRS"). All figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward looking statements. Forward looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is November 22, 2018.

Overview

The Company is a Canadian-based exploration company focused on exploring for vanadium deposits in Manitoba, as well as uranium deposits in Saskatchewan and Quebec, Canada. The Company continues to actively pursue new opportunities to capitalize on management's exploration and financing capabilities.

As at July 31, 2018, the Company had a working capital deficit of $980,014. The Company recorded a loss of $467,127 during the year ended July 31, 2018, incurred negative cash flows from operations and had an accumulated deficit of $46,780,144 as at July 31, 2018. These conditions cast significant doubt on the Company's ability to continue as a going concern. 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.

Subsequent Events

In August 2018, the Company signed an agreement (the "Agreement") whereby the Company has the right to earn up to 100% interest in the Huzyk Creek Vanadium Property (the "Property") in north-central Manitoba which is subject to TSX Venture Exchange approval. The acquisition is expected to close concurrently with the Company's financing. The Company continues to review additional opportunities worldwide to capitalize on management's exploration and financing capabilities.

In October 2018, in conjunction with the Agreement, the Company consolidated its issued and outstanding share capital on the basis of one new common share for four outstanding common shares. All information with respect to the number of common shares and issuance price for the time periods prior to the share consolidation was restated to reflect the share consolidation.

In October 2018, the Company announced a private placement for total proceeds of $1,250,000 through the issuance of 9,375,000 units at $0.08 per unit and 5,000,000 flow-through shares at $0.10 per flow-through share. Each unit will consist of one common share and one half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one common share at $0.17 per common share for a period of 2 years.

Huzyk Creek Vanadium Property

The Property is located approximately 75 kilometres southeast of the town of Snow Lake, Manitoba and consists of a Mineral Exploration License ("MEL") covering approximately 216 square kilometres. This area has seen significant exploration for base metal mineralization as it lies within the projected extension of both the Flin Flon/Snow Lake belt as well as the Thompson Nickel Belt. Historically, the region has seen no exploration for vanadium.

A historic drill core resampling program by the property vendors (the "Vendors") has discovered a broad zone of vanadium mineralization. Resampling of a 1997 drill hole (NIM-19) returned a total of 68 meters @ 0.14% V_2O_5 hosted within a sequence of meta-sediments associated with graphite and sulphides. No other known historic drill holes have been completed on this mineralized zone. At this time the strike, dip and lateral extent of mineralization is not known.

The mineralized interval is associated with a 1.5 kilometer long ground electromagnetic induction ("EM") geophysical anomaly. This ground EM anomaly is associated with a longer, multi-kilometre airborne geophysical anomaly. This geophysical work was completed by previous exploration companies in the region, and the geophysical data was submitted for assessment work at the Manitoba Mining Recorders office.

A review of assessment file data by Company personnel has outlined additional widespread vanadium anomalies in historic drilling throughout the Property. Individual values up to 0.20% V2O5 have been reported as part of limited geochemical sampling in drill core. Widespread meta-sedimentary intervals with elevated graphite and sulphide content are also commonly noted in historic drill logs.

Agreement

The Company can earn an initial 49% interest in the Property by making staged payments over 3 years to the property vendors (the "Vendors") totalling $215,000, issuing $150,000 in common shares 250,000 common shares and completing $2,500,000 of exploration on the Property. The payments are as follows:

- $25,000 in cash and 250,000 common shares upon approval of the TSX Venture Exchange
- $50,000 in cash, $50,000 in common shares, and $250,000 in exploration expenditures by the first anniversary date of the Agreement
- $60,000 in cash, $50,000 in common shares and $750,000 in exploration expenditures by the second anniversary date of the Agreement
- $80,000 in cash, $50,000 in common shares and $1,500,000 in exploration expenditures by the third anniversary date of the Agreement

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 ("PEA") study.

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 within 24 months of the 4th anniversary of the Agreement, along with a payment of $500,000 to the Vendors.

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.

Saskatchewan Properties

Clearwater Project

In August 2014, the Company signed a definitive option agreement (the "Forum Agreement") with Forum Uranium Corp. ("Forum"), whereby the Company had an option to earn up to a 70% interest in Forum's Clearwater Project (the "Clearwater Project") in northern Saskatchewan.

In September 2017, the Company and Forum agreed to terminate the Forum Agreement. Forum currently owns 75% and the Company has earned a 25% interest after spending $1.5 million on exploration since August 2014.

The Company and Forum commenced a geophysics and diamond drill program in September 2016. The geophysical work consisted of a ground VTEM program to define targets for subsequent exploration drilling. The VTEM program outlined a number of conductors which were targeted by the drill program. Drilling commenced in late September and was completed in mid-November. A total of 2,602 meters of drilling was completed in 9 drill holes.
The Mongo area is interpreted to be on strike with the structure hosting the Triple R deposit. Drilling on the Mongo Lake area (drill holes CW-16 to CW-20) of the property have encountered predominantly mafic gneisses, locally weakly graphitic, that have been cut numerous times by felsic granitic dykes and moderately radioactive (thorium bearing) mafic

dykes with probing peaks of up to 2345 counts per second. These mafic dykes have been reactivated by subparallel brittle shear zones. The upper section of the drill holes also contains intervals of secondary hematite alteration, both along fracture surfaces and locally within the matrix and lithological boundaries.

Several intervals of moderate bleaching of the drill core were noted in the Mongo Lake drilling. Clays in the bleached zone have been analyzed by TerraSpec (TSP 350-2500) instrument, and have come back as mostly illite, a clay associated with hydrothermal alteration and common around all of the eastern Athabasca basin uranium deposits and at NexGen Energy's Arrow deposit. Samples of the bleached and clay altered core will be geochemically analysed to confirm the nature and type of other clay minerals present.

The combination of elevated radioactivity, bleaching with illite clay and secondary hematite associated with brittle shear zones and local graphitic zones are encouraging as these indicate that altering and radioactive fluids were active in the area.

Drill hole CW-16 intersected an interval between 259.5 meters and 266.0 meters downhole assaying 3000ppm (0.3%) Lead and 43400ppm (4.34%) Zinc over a 6.5 meter core length that was chip sampled. This high grade interval occurs within a zone of anomalous Zinc mineralization, with assays ranging between 114ppm to 43400ppm Zinc and 14ppm to 3000ppm Lead between 241.8 meters and 272.0 meters downhole. The host rock is a well banded granodiorite/granitic gneiss with variable silicification and sulphide content. These samples have not been composited as they are chip samples and not continuous samples. True widths of this interval are not known at this time. Further work is required to better define the nature of this base metal mineralization.

Chip samples consist of systematically collecting similar sized small fragments of the core at a regular spacing across zones of similar lithology and alteration. These individual chips from discrete lithological intervals are combined into a single sample that is submitted to the lab (SRC Geoanalytical Laboratories or SRC) for geochemical analysis. A systematic chip sampling program of all drill core was conducted as a regular part of the sampling program on the project and is a common sampling method in uranium exploration. The initial geochemical result was of enough interest that the lab was requested to reanalyze the sample, which returned 2750ppm (0.275%) Lead and 45400 (4.54%) Zinc in the reanalysis.

The reader is cautioned that these results are derived from selective composite chip samples that may not be representative of the interval. The chips are typically taken at 1 metre intervals along the length of the core.

CW-16 was drilled on the northern portion of the Clearwater claim group just south of Mongo Lake. Please see http://www.uracan.ca/s/Sask.asp?ReportID=674709 for further details.

Elevated base metals are frequently associated with the Athabasca unconformity uranium mineralization. Base metals, along with clay alteration and hematite alteration noted in the other drill holes outlined above show that a metal bearing, hydrothermal system was active in this portion of the Patterson Lake trend. These results indicate that additional follow up work is needed to determine both the potential for uranium mineralization and the nature and potential for base metal mineralization on the Clearwater Project.

Four diamond drill holes (CW-12 to CW-15) were completed in the Key area of the project testing gravity lows or EM conductors. While the alteration of the basement rocks was very strong with up to 30m of dissolved and missing core, most of this is interpreted to be caused by surficial weathering, evidence for this given by associated kaolinite clays. The drill holes that targeted EM conductors intersected graphitic structures with evidence of numerous tectonic episodes; however, no significant uranium mineralization was noted in this area.

The Clearwater Project is underlain by a mix of pelitic to psammitic metasediments that overlie older Archean gneisses. Recent work by the Saskatchewan Geological Survey indicates the potential that the politic to psammitic metasediments may in fact be derived from mafic metavolcanic rocks. This reinterpretation is ongoing, with other exploration companies in the Patterson Lake region re-evaluating previous geologic interpretations. Graphitic horizons are typically present at the contact between the two and are a target for drilling, especially in areas where there are cross-cutting structures. Several SSW trending electromagnetic (EM) conductors cross from Fission's claim group onto the Clearwater Project. These EM conductors were the target of the 2016 VTEM geophysical survey.

Pipewrench Lake Property

The Company holds four claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties.

Quebec Properties

The Company holds two non-contiguous claim blocks in the Baie Johan Beetz, Aguanish and Natashquan corridor along the North Shore of the Gulf of St. Lawrence. The blocks consist of two distinct claim groups: Costebelle and Lac Turgeon. The Company has a 100% interest in these properties, which are carried at $nil.

The Company will continue to maintain core claims hosting known uranium mineralization in good standing while letting non-core claims lapse in order to lower the overall costs associated with the Quebec North Shore Property.

The Company carried out field work in July to August 2017 to assess the potential for lithium mineralization on the North Shore Property. This work consisted of camp and grid line reclamation, prospecting and sampling over the claims still held by the Company. This work did not outline any new areas of lithium mineralization on the property.

During the year ended July 31 2018, the Company incurred additional maintenance and rehabilitation fees in connection with its Quebec properties, including sample and equipment disposition, and camp clean up.

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets located in Saskatchewan, Canada:

	Clearwater Property	Black Lake Property	Total
Acquisition costs:			
Balance, July 31, 2016	$ 19,056	$ 45,684	$ 64,740
Impairment of Black Lake Property (Note 5(c))	-	(45,684)	(45,684)
Balance, July 31, 2017 and 2018	19,056	-	19,056
Exploration costs:			
Balance, July 31, 2016	525,414	1,624,724	2,150,138
Drilling & analysis	613,658	-	613,658
Camp and accommodation	173,216	-	173,216
Geophysics	70,545	-	70,545
Office and other	94,492	-	94,492
Travel & transport	45,426	-	45,426
Equipment rental	340	-	340
Impairment of Black Lake Property (Note 5(c))	-	(1,624,724)	(1,624,724)
Balance, July 31, 2017 and 2018	1,523,091	-	1,523,091
Total costs:			
Balance, July 31, 2017 and 2018	$ 1,542,147	$ -	$ 1,542,147

Selected Annual Information

	2018	2017	2016
Total assets, July 31	**$ 1,698,292**	$ 1,597,829	$ 3,147,743
Loss and comprehensive loss	**$ (467,127)**	$ (2,506,310)	$ (445,750)
Basic and diluted loss per share	**$ (0.02)**	$ (0.10)	$ (0.02)

Summary of Quarterly Results

	Q4 July 31, 2018	**Q3 April 30, 2018**	**Q2 January 31, 2018**	**Q1 October 31, 2017**
Revenue	$ -	$ -	$ -	$ -
Loss and comprehensive loss	(286,144)	(43,644)	(59,433)	(77,906)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)

	Q4 July 31, 2017	**Q3 April 30, 2017**	**Q2 January 31, 2017**	**Q1 October 31, 2016**
Revenue	$ -	$ -	$ -	$ -
Loss and comprehensive loss	(237,760)	(117,095)	(1,730,228)	(421,227)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.07)	$ (0.02)

Loss and comprehensive loss increased in the three months ended July 31, 2017, due to higher to camp maintenance and rehabilitation costs. The increase in loss and comprehensive loss during the three months ended January 31, 2017, is largely as a result of the impairment of exploration and evaluation assets related to the Black Lake Project.

Overall Performance and Results of Operations

Cash increased by $70,546 during the year ended July 31, 2018. The items that contributed to the increase were issuance of notes payable in the amount of $175,000, partially offset by cash outflows of $104,454 relating to operating activities.

Three months ended July 31, 2018 and 2017

Loss and comprehensive loss for the three months ended July 31, 2018, increased by $48,384 from $237,760 for the three months ended July 31, 2017, to $286,144 for the three months ended July 31, 2018. The increase in loss and comprehensive loss is largely due to:

- An increase of $73,498 in maintenance and rehabilitation. Maintenance and rehabilitation was $204,075 for the three months ended July 31, 2018, compared to $130,577 for the three months ended July 31, 2017. The increase was primarily due to field activity expenses for its Quebec Properties that were expensed in the current period.

The increase in loss was partially offset by:

- A decrease of $24,536 in salaries and benefits. Salaries and benefits were $15,663 for the three months ended July 31, 2018, compared to $40,199 for the three months ended July 31, 2017. The decrease was a result of a service agreement whereby the CEO of the Company will be paid on a part time basis, effective June 2017.

Year ended July 31, 2018 and 2017

Loss and comprehensive loss for the year ended July 31, 2018, decreased by $2,039,183 from $2,506,310 for the year ended July 31, 2017, to $467,127 for the year ended July 31, 2018. The decrease in loss and comprehensive loss is largely due to:

- A decrease of $95,671 in salaries and benefits. Salaries and benefits were $70,193 for the year ended July 31, 2018, compared to $165,864 for the year ended July 31, 2017. The decrease was a result of a service agreement whereby the CEO of the Company will be paid on a part time basis, effective June 2017.

- A decrease of $448,156 in share-based compensation. Share-based compensation was $nil for the year ended July 31, 2018, compared to $448,156 for the year ended July 31, 2017. The decrease was a result of 6,550,000 share options granted during the prior year, whereas none were granted in the current year.

- A decrease of $1,670,408 in impairment of exploration and evaluation assets. During the year ended July 31, 2017, the Company's option with UEX expired, and as such the Company recognized an impairment of $1,670,408 on the statement of loss and comprehensive loss in the period.

The decrease in loss was partially offset by:

- An increase of $111,012 in maintenance and rehabilitation. Maintenance and rehabilitation was $242,286 for the year ended July 31, 2018, compared to $131,274 for the year ended July 31, 2017. The increase was primarily due to field activity expenses for its Quebec Properties that were expensed in the current year.

Liquidity and Capital Resources

As at July 31, 2018, the Company had a working capital deficit of $980,014 and cash of $111,372 to settle payables of $1,136,159. The Company recorded a loss of $467,127 during the year ended July 31, 2018, and had an accumulated deficit of $46,780,144 as at July 31, 2018. These conditions cast significant doubt on the Company's ability to continue as a going concern. 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 ongoing 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.

The sources of funds currently available to the Company for its acquisition and exploration projects are due from debt and equity financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

In October 2018, the Company announced a private placement for total proceeds of $1,250,000.

Outstanding Share Data

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

As at July 31, 2018 and the date of this report, 26,486,150 common shares are issued and outstanding.

As at July 31, 2018 and the date of this report, 2,386,250 share options are outstanding.

As at July 31, 2018 and the date of this report, nil warrants are outstanding.

Related Party Transactions

During the year ended July 31, 2018, the Company:

(a) Incurred consulting fees of $120,000 (2017: $120,000) and share issue costs of $nil (2017: $3,152) to a company of which a director of the Company is an officer. As at July 31, 2018, $110,000 (July 31, 2017: $5,250) is due to this company and included in amounts payable in the statement of financial position.

(b) Incurred legal fees of $18,414 (2017: $6,341) and share issue costs of $nil (2017: $10,867) to a legal firm of which a director of the Company is a partner.

(c) Had notes payable of $380,000 (2017: $205,000) outstanding and accrued interest of $39,778 (2017: $23,196) that were owed to a director of the Company.

(d) Had due to related parties of $235,184 included in accounts payable as of July 31, 2018 (2017: $42,325). The due to related parties were payable to three companies with common directors and officers.

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.

Remuneration attributed to key management personnel can be summarized as follows:

During the year ended July 31, 2018, compensation of $76,031 (2017: $160,633) was paid for the CEO of the Company.

During the year ended July 31, 2017, share-based compensation of $437,715, was recorded relating to 6,400,000 share options granted to directors and officers of the Company. There was no share-based compensation recorded during the year ended July 31, 2018.

Risks and Uncertainties

The Company is subject to a number of risk factors due to the nature of the mining business in which it is engaged, including adverse movements in commodity prices, which are impossible to forecast. The Company seeks to counter these risks to the extent possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits. The Company is subject to significant risks including, but not limited to, the following:

Industry

The Company is engaged in the acquisition and exploration of mineral properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The geological focus of the Company is on areas in which the geological setting is well understood by management.

Uranium and Metal Prices

The price of uranium is affected by numerous factors beyond the control of the Company including producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, demand, political and economic conditions and production levels. In addition, the price of uranium has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may explore for have the same or similar price risk factors.

Vanadium

The price of vanadium is affected by numerous factors beyond the control of the Company including the relative exchange rate of the U.S. dollar with other major currencies, demand, political and economic conditions and production levels. In addition, the price of vanadium has been volatile over short periods of time due to speculative activities and supply shortages. The price of other metals and mineral products that the Company may explore for have the same or similar price risk factors.

Dependence on Management

The Company strongly depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended July 31, 2018.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Recent Accounting Standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The standards listed below include only those which the Company reasonably expects are applicable to the Company.

The following have been adopted by the Company during the year ended July 31, 2018:

- IFRS 9 – Financial instruments: New standard that replaced IAS 39 for classification and measurement of financial assets, which is effective for annual periods beginning on or after January 1, 2018. The Company has determined that there is no significant measurement impact of adoption of IFRS 9 on its financial statements.

The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

Financial Instruments

Financial Risk Management

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

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable. The Company reduces its credit risk on cash and cash equivalents by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash.

Liquidity Risk

At July 31, 2018, the Company had cash of $111,372 to settle payables of $1,136,159, and had a working capital deficit of $980,014. In October 2018, the Company announced a private placement for total proceeds of $1,250,000.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, and equity prices:

I. Interest Rate Risk

The Company's notes payable bear interest at fixed rates and the Company's bank account earns interest at variable rates. The fair value of its financial instruments is relatively unaffected by changes in short-term interest rates.

II. Commodity Price Risk

Although the Company is an exploration stage company, it is subject to price risk from fluctuations in market prices of natural resource commodities since its future profitability is dependent on the market price of these commodities. The prices of commodities are affected by numerous factors beyond the Company's control. Fluctuations in commodity prices could result in future commercial production that is impracticable to the Company. Therefore, management regularly monitors natural resource commodity prices to determine the appropriate course of action to be taken by the Company.

III. Equity Price Risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is currently working on the acquisition of the Property which is expected to close concurrently with the Company's financing. Once the acquisition of the Property is completed, the Company will undertake exploration activities. These are expected to consist of both airborne and ground geophysical programs to define targets which will be followed up by diamond drilling.

The historic hole (NIM19) that has been shown to host potentially significant vanadium mineralization will be the first priority of the drilling program in order to confirm both the potential size and grade of the mineralization at that location. If warranted, further drilling will test strike and dip extensions of any potential mineralized zone.

Additional information relating to the Company is available on the Company's web site at http://vanadianenergy.com/ and on SEDAR at www.sedar.com.