Condensed Interim Financial Statements of

Vanadian Energy Corp.
(formerly Uracan Resources Ltd.)

Three months ended October 31, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of Vanadian Energy Corp. (formerly Uracan Resources Ltd.) (the “Company”) 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 condensed interim financial statements.

Vanadian Energy Corp. (formerly Uracan Resources Ltd.)

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

		October 31, 2018		July 31, 2018
Assets				
Current assets				
Cash	**$**	**51,854**	$	111,372
Amounts receivable (Note 3)		**39,443**		36,649
Prepaid expenses		**5,036**		8,124
		96,333		156,145
Exploration and evaluation assets (Note 4)		**1,542,147**		1,542,147
Total assets	**$**	**1,638,480**	$	1,698,292
Liabilities				
Current liabilities				
Amounts payable	**$**	**804,772**	$	756,159
Notes payable (Note 5, 7)		**380,000**		380,000
Total liabilities		**1,184,772**		1,136,159
Equity				
Share capital (Note 6)		**39,746,728**		39,747,478
Reserves (Note 6)		**7,594,799**		7,594,799
Deficit		**(46,887,819)**		(46,780,144)
Total equity		**453,708**		562,133
Total liabilities and equity	**$**	**1,638,480**	$	1,698,292

Nature of operations and going concern (Note 1)
Subsequent events (Note 1, 4, 5, 6)

Approved by the Board of Directors and authorized for issue on December 18, 2018:

"Gordon Keep" Director

"Jay Sujir" Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Vanadian Energy Corp. (formerly Uracan Resources Ltd.)

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended October 31, 2018	2017
Expenses		
Consulting (Note 7)	$ **31,330**	$ 30,000
Maintenance and rehabilitation	**27,176**	38,211
Office and administration	**15,399**	10,622
Professional fees	**4,250**	5,704
Regulatory and transfer agent	**11,729**	1,840
Salaries and benefits (Note 7)	**17,791**	14,606
	(107,675)	(100,983)
Other income - flow-through (Note 6(e))	**-**	23,077
Loss and comprehensive loss	**(107,675)**	(77,906)
Basic and diluted loss per share	$ **(0.00)**	$ (0.00)
Weighted average number of common shares outstanding basic and diluted	**26,486,150**	26,486,150

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Vanadian Energy Corp. (formerly Uracan Resources Ltd.)

Condensed Interim Statement of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share capital				
	Shares issued	Amount	Reserves	Deficit	Total equity
At July 31, 2017	26,486,150	$ 39,747,478	$ 7,594,799	$ (46,313,017)	$ 1,029,260
Loss and comprehensive loss	-	-	-	(77,906)	(77,906)
At October 31, 2017	26,486,150	39,747,478	7,594,799	(46,390,923)	951,354
Loss and comprehensive loss	-	-	-	(389,221)	(389,221)
At July 31, 2018	26,486,150	39,747,478	7,594,799	(46,780,144)	562,133
Share issue costs	-	(750)	-	-	(750)
Loss and comprehensive loss	-	-	-	(107,675)	(107,675)
At October 31, 2018	26,486,150	$ 39,746,728	$ 7,594,799	$ (46,887,819)	$ 453,708

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Vanadian Energy Corp. (formerly Uracan Resources Ltd.)

Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended October 31, 2018	2017
Operating activities		
Loss for the period	**$ (107,675)**	$ (77,906)
Items not involving cash:		
Other income - flow-through	**-**	(23,077)
Finance expense - accrued	**5,747**	8,797
Changes in non-cash working capital items:		
Amounts receivable	**(2,794)**	(25,686)
Prepaid expenses	**3,088**	3,000
Amounts payable	**42,866**	88,426
	(58,768)	(26,446)
Financing activities		
Share issue costs	**(750)**	-
	(750)	-
Change in cash during the period	**(59,518)**	(26,446)
Cash, beginning of period	**111,372**	40,826
Cash, end of period	**$ 51,854**	$ 14,380

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these unaudited condensed interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was originally incorporated as 583860 B.C. Ltd. in the province of British Columbia on April 21, 1999. The Company changed its name to Vanadian Energy Corp. from Uracan Resources Ltd. on October 5, 2018. The Company is publicly listed on the TSX Venture Exchange 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, as well as uranium deposits in Saskatchewan. 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, 2018, the Company had a working capital deficit of $1,088,439. The Company recorded a loss of $107,675 during the three months ended October 31, 2018, and had an accumulated deficit of $46,887,819 as at October 31, 2018.

In October 2018, 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 this share consolidation was restated to reflect the share consolidation.

In December 2018, the Company closed a non-brokered private placement for total proceeds of $1,250,000 (Note 6(b)). However, while these unaudited condensed interim 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 unaudited condensed interim 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.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim 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 unaudited condensed interim financial statements were approved by the board of directors on December 18, 2018.

(b) 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 three months ended October 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.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

(b) Recent accounting standards (continued)

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.

3. AMOUNTS RECEIVABLE

	As at October 31, 2018	As at July 31, 2018
Input tax credits	**$ 34,986**	$ 32,192
Other receivables	**4,457**	4,457
	$ 39,443	$ 36,649

4. 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

In December 2018, the TSX Venture Exchange granted final approval of the definitive 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.

The Company can earn an initial 49% interest in the Property by making staged payments over 3 years to Rocas del Norte Incorporated (the “Vendors”) totalling $215,000, issuing 250,000 common shares and a further $150,000 in 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 paid and issued in December 2018
- $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 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 cash payment of $500,000 to the Vendors.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Huzyk Creek Vanadium Property (continued)

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.

Pursuant to the approval in December 2018 and the terms of the Agreement, the Company paid $25,000 and issued 250,000 common shares to the Vendors.

b) Clearwater Project

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

During the year ended July 31, 2018, 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.

c) Pipewrench Lake and Narrows Lake Properties

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, which are carried at $nil.

d) 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.

During the year ended July 31 2018, the Company incurred additional costs in connection with its Quebec properties, including equipment disposition and camp reconditioning.

The following table summarizes the capitalized costs associated with the Company’s exploration and evaluation assets:

	Clearwater Property
Acquisition costs:	
Balance, July 31, 2018 and October 31, 2018	**$ 19,056**
Exploration costs:	
Balance, July 31, 2018 and October 31, 2018	**1,523,091**
Total costs:	
Balance, July 31, 2018 and October 31, 2018	**$ 1,542,147**

During the year ended July 31, 2018, the Company received $27,840 (2017: $nil) of Quebec exploration tax credits related to maintenance and rehabilitation expenditures incurred during the year ended July 31, 2017, all of which was recorded as income in the statement of loss and comprehensive loss.

(Expressed in Canadian dollars)

5. NOTES PAYABLE

As at October 31, 2018, notes payable of $380,000 (July 31, 2018: $380,000) were outstanding to a director of the Company. The notes accrue interest at 6% per annum and are payable on demand. As at October 31, 2018, accrued interest on notes payable of $45,525 (July 31, 2018: $39,778) is included in amounts payable in the statement of financial position. In December 2018, notes payable of $200,000 were re-paid.

6. 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, 2018, there were 26,486,150 common shares issued and outstanding.

No common shares were issued during the three months ended October 31, 2018 and year ended July 31, 2018.

In October 2018, the Company consolidated its issued and outstanding share capital on the basis of one new common share for four outstanding common shares (Note 1).

In December 2018, the Company closed a non-brokered 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 consists of one common share and one-half of a warrant. Each full warrant entitles the holder to purchase one common share at $0.17 per common share until December 10, 2020.

(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 10 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 3 month period. All other options vest at the discretion of the Board of Directors.

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

	Outstanding		Weighted average exercise price
Balance, July 31, 2017 and October 31, 2017	2,486,250	$	0.40
Expired	(100,000)		0.36
Balance, July 31, 2018 and October 31, 2018	2,386,250	$	0.42

No share options were granted during the three months ended October 31, 2018 and year ended July 31, 2018.

(Expressed in Canadian dollars)

6. EQUITY (continued)

(c) Share options (continued)

The following table summarizes information about the share options outstanding and exercisable at October 31, 2018:

Options outstanding and exercisable	Exercise price	Expiry Date
71,250	0.52	January 27, 2019
62,500	0.52	March 23, 2020
77,500	0.52	March 22, 2021
562,500	0.52	March 3, 2024
75,000	0.64	March 18, 2024
1,437,500	0.36	September 29, 2026
100,000	0.28	February 17, 2027
2,386,250		

(d) Warrants

No warrants were issued during the three months ended October 31, 2018 and year ended July 31, 2018.

During the year ended July 31, 2018, 88,000 warrants with an exercise price of $0.40 per warrant expired.

A summary of changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
Balance, July 31, 2017	88,000	$ 0.40
Expired	(88,000)	0.40
Balance, October 31, 2017, July 31, 2018 and October 31, 2018	-	$ -

(e) Flow-through shares

Issued during the year ended July 31, 2017

During the year ended July 31, 2017, the Company issued 384,615 flow-through shares for gross proceeds of $100,000. As at October 31, 2017, all of these flow-through funds have been spent and the tax benefit has been renounced. $23,077 in flow-through premium amortization was recognized as other income in the statement of loss and comprehensive loss during the three months ended October 31, 2017.

7. RELATED PARTY TRANSACTIONS

During the three months ended October 31, 2018, the Company:

(a) Incurred consulting fees of $30,000 (2017: $30,000) to a company of which a director of the Company is an officer. As at October 31, 2018, $141,500 (July 31, 2018: $110,000) is due to this company and included in amounts payable in the statement of financial position.

(b) Incurred geological consulting fees of $16,671 (2017: $10,517) to a company of which a director of the Company is an officer and director. As at October 31, 2018, $96,339 (July 31, 2018: $78,835) is due to this company and included in amounts payable in the statement of financial position.

7. RELATED PARTY TRANSACTIONS (continued)

(c) As at October 31, 2018, $46,349 (July 31, 2018: $46,349) related to legal fees and included in amounts payable in the statement of financial position is due to a company of which a director of the Company is an officer.

(d) Had notes payable of $380,000 (July 31, 2018: $380,000) outstanding and accrued interest of $45,525 (July 31, 2018: $39,778) that were owed to a director of the Company (Note 5).

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 three months ended October 31, 2018, compensation of $17,791 (2017: $14,606) was paid for the CEO of the Company.

8. FINANCIAL INSTRUMENTS

Financial Risk Management

Cash, amounts receivable, 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 is exposed to credit risk on cash and amounts receivable. The Company reduces its credit risk on cash 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 and amounts receivable.

Liquidity Risk

At October 31, 2018, the Company had cash of $51,854 to settle payables of $1,184,772, and had a working capital deficit of $1,088,439. In December 2018, the Company closed a non-brokered private placement for total proceeds of $1,250,000 (Note 6(b)).

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.

8. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

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.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of equity.

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 debt or acquire or dispose of assets. Refer to Note 1 for additional details of the Company's ability to continue as a going concern. The Company is not subject to externally imposed capital requirements.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing or financing transactions included:

- Included in amounts payable at October 31, 2018, is $6,438 (July 31, 2018: $6,438) of capitalized exploration and evaluation costs and $9,638 (July 31, 2018: $9,638) of share issue costs.

No cash was paid for interest or income taxes during the three months ended October 31, 2018 and 2017.