

Vanadian Energy Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations July 31, 2024

The following discussion is management's assessment and analysis ("MD&A") of the results and financial condition of Vanadian Energy Corp. (the "Company"), and should be read in conjunction with the accompanying audited annual financial statements and related notes for the years ended July 31, 2024 and 2023. The preparation of financial data is in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this MD&A 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 MD&A is November 28, 2024.

Overview and Outlook

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

As at July 31, 2024, the Company had a working capital deficiency of \$1,653,051 (July 31, 2023: \$1,473,297), and had a total deficit of \$50,240,222 (July 31, 2023: \$50,060,468).

There are conditions that 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.

Additional information relating to the Company is available on the Company's website at <http://vanadianenergy.com/> and on SEDAR+ at www.sedarplus.com.

Manitoba Property

On December 12, 2018, the definitive agreement was completed, whereby the Company has the right to earn up to 100% interest in the Huzyk Creek Vanadium Property in north-central Manitoba.

During the year ended July 31, 2024, the claims lapsed.

Saskatchewan Properties

Clearwater Project

The Company and Forum carried out geophysics and diamond drilling in 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 2016. 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

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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 in the near term 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. Additional drilling is required to better determine the potential for uranium mineralization on the property.

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.

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

Pipewrench Lake Property

In 2008, the Company carried out exploration including prospecting and diamond drilling on the Pipewrench Lake Property. Highlights of the diamond drilling include 12.7m of 0.142% U₃O₈ and 19.5m of 0.083% U₃O₈. This was at the Portage Zone on the property which was a new discovery on the property. These drill results require follow up to determine the potential for additional uranium mineralization on the property. In addition, several other areas of the property require further work to determine their potential to host uranium mineralization.

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.

Selected Annual Information

	2024	2023	2022
	\$	\$	\$
Total assets, July 31	21,910	4,982	649,768
Loss for the year	(179,754)	(806,433)	(186,102)
Basic and diluted loss per share	(0.04)	(0.19)	(0.04)

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Summary of Quarterly Results

	Q4 July 31, 2024	Q3 April 30, 2024	Q2 January 31, 2024	Q1 October 31, 2023
	\$	\$	\$	\$
Loss for the period	(38,466)	(37,129)	(62,715)	(41,444)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

Weighted average number of common shares outstanding, basic and diluted	4,226,117	4,226,117	4,226,117	4,226,117
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	Q4 July 31, 2023	Q3 April 30, 2023	Q2 January 31, 2023	Q1 October 31, 2022
	\$	\$	\$	\$
Loss for the period	(659,422)	(39,662)	(62,598)	(44,751)
Basic and diluted loss per share	(0.16)	(0.01)	(0.01)	(0.01)

Weighted average number of common shares outstanding, basic and diluted	4,226,117	4,226,117	4,226,117	4,226,117
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Loss for Q4 2023, includes an impairment of exploration and evaluation assets in the amount of \$623,976.

Overall Performance and Results of Operations

Cash increased by \$17,678 during the year ended July 31, 2024, due to \$25,000 from issuance of notes payable, partially offset by \$7,322 used in operating activities.

Three months ended July 31, 2024 and 2023

Loss for the three months ended July 31, 2024, decreased by \$620,956 from the comparable period. Loss was higher in the comparable period due to impairment of exploration and evaluation assets in the amount of \$623,976. Operating expenses during the current period compared to the prior period remained consistent.

Years ended July 31, 2024 and 2023

Loss for the year ended July 31, 2024, decreased by \$626,679 from the comparable period. Loss was higher in the comparable period due to impairment of exploration and evaluation assets in the amount of \$623,976. Operating expenses during the current period compared to the prior period remained consistent.

Liquidity and Capital Resources

As at July 31, 2024, the Company had a working capital deficiency of \$1,653,051 (July 31, 2023: \$1,473,297), and had a total deficit of \$50,240,222 (July 31, 2023: \$50,060,468). 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

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it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

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.

Subsequent to July 31, 2024, the Company consolidated its outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share, effective November 21, 2024 (the "Share Consolidation"). The MD&A reflects the Share Consolidation retroactively.

As at July 31, 2024, and at the date of this MD&A, 4,226,117 common shares were issued and outstanding, and 245,250 share options were outstanding and exercisable.

Related Party Transactions

During the year ended July 31, 2024, the Company:

- (a) Incurred consulting fees of \$120,000 (2023: \$120,000) to a company of which a director of the Company is an officer. As at July 31, 2024, \$708,000 (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 July 31, 2024, \$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) As at July 31, 2024, \$1,598 (July 31, 2023: \$nil) is due to an officer of the Company and included in amounts payable and accrued liabilities in the statements of financial position.
- (d) Incurred legal fees included in professional fees of \$5,821 (2023: \$2,601) to a company of which a director of the Company is an officer. As at July 31, 2024, \$80,968 (July 31, 2023: \$74,876) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.
- (e) As at July 31, 2024, notes payable of \$350,000 (July 31, 2023: \$325,000) and accrued interest of \$136,852 (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.

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 years ended July 31, 2024 and 2023.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions.

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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.

Vanadium and Metal Prices

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.

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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. Material accounting policy information is described in Note 3 of the Company's audited annual financial statements as at and for the years ended July 31, 2024 and 2023.

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.

Financial Instruments

Fair values

Cash, sales tax recoverable, notes payable, and amounts payable and accrued liabilities 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

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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 MD&A.

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.