

Vanadium One Energy Corp. (TSXV:VONE)

Resource Estimate Bodes Well for Big Future

Exploration Update

(Currency is CAD\$ unless noted otherwise)

Closing Price		\$0.155
Consensus NAVPS		NA
52 Week Low / High		\$0.06 / \$0.29
Consensus P/NAV		NA
CAPITALIZATION		
	Basic	Diluted
Shares Outstanding (M)	51.3	67.4
Market Capitalization (\$MM)		\$8.0
Enterprise Value (\$MM)		\$7.6
Last Reported Quarter Cash (\$MM)		\$0.4
Total Debt (\$MM)		\$0.0

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION US\$EV/t Iron Ore

Peer Group Average*	\$0.07
Vanadium One Energy Corp.	\$0.01

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (18%), Marquest Asset Management. (2.5%), Banca Credinvest SA, Asse. (0.29%)

DISCLOSURE CODE:

4

(Please refer to the disclosures listed on the back page)

Source: RCKS, Company Information, Capital IQ

Company Description

Vanadium One Energy Corp. engages in the exploration of base metals and precious metals in Canada and Mexico. It holds 100% interest in Clinton manganese project located in British Columbia; 100% interest in Ivanhoe property in Ontario; interest in San Miguel property in Mexico; and option to acquire a 100% interest in Mont Sorcier vanadium project in Quebec, Canada. The company was formerly known as Vendome Resources Corp. and changed its name to Vanadium One Energy Corp. in January 2017. Vanadium One Energy Corp. was incorporated in 2007 and is headquartered in Toronto, Canada.

Impact: Mildly Positive

Vanadium One has delivered a successful iron ore resource estimate that, together with a potential vanadium by-product, warrants a significant re-rating of the company's current valuation. **With a C\$8.0M market cap, the market has yet to price in the resource or the economic potential we see at Mont Sorcier (Fe-V) near Chibougamau, Quebec.**

Highlights:

- **Resource update exceeds expectations.** The company's mineral resource estimate 213.3 Mt (~65% Fe grade) of iron ore concentrate bodes well when compared to the historic 95.2 Mt of iron ore concentrate (66.7% Fe grade) resource. We note that ~82% of the current resources are inferred and we expect exploration work will continue to upgrade resources in size and quality.
- **Vanadium by-product could have a huge impact.** While a modest premium (10-15%) is already expected for the high-grade/low impurity iron ore that is expected from Mont Sorcier, this could materially increase if the company can get a credit for its Vanadium content. If we were to assume that the contained Vanadium was 50% payable, the iron ore equivalent tonnes would increase by ~103% (Figure 1). We note that this type of credit would be unusual, but this could provide potential purchasers with a low risk source of Vanadium (which Steelmakers use anyway).
- **A "Champion" in the making.** With a resource in place, the company's next catalyst will come as it tests project economics with the tabling of a PEA expected in Q3/19. The company is on a good pace to emerge as an unique Canadian Fe-V project developer as it pursues a similar strategy to its peer Champion Iron Ltd (TSX;ASX:CIA) which is actively advancing the similar scale Bloom Lake project in the Southern Labrador trough.

Valuation:

Ongoing success suggests significant upside beyond current valuation. Based Mount Sorcier's current resource, Vanadium One trades at US\$0.01/t of iron ore equivalent, a significant discount to peers at US\$0.07/t. We believe that as the company demonstrates the economics of this project alongside additional exploration upside, it is likely to become an important player in the Canadian iron ore space. **Upcoming catalysts include:** 1) PEA Q3/19

Figure 1: Mineral Resource Estimate

Category	Tonnage		Grade in Concentrate							Iron Concentrate Equivalent (Mt)*
	Rock (Mt)	Concentrate (Mt)	Fe (%)	V2O5 (%)	Al2O3 (%)	TiO2 (%)	MgO (%)	SiO2 (%)		
South	Indicated	113.5	35	65.3%	0.6%	0.3%	1.2%	3.8%	2.8%	71.0
	Inferred	144.6	36.1	66.9%	0.5%	0.4%	1.0%	3.4%	2.5%	67.1
North	Inferred	376	142.2	63.7%	0.6%	1.0%	1.8%	3.5%	4.2%	288.5
	Indicated	113.5	35	65.3%	0.6%	0.3%	1.2%	3.8%	2.8%	71.0
Total	Inferred	520.6	178.3	64.4%	0.6%	0.8%	1.7%	3.5%	3.9%	361.7

*Concentrate equivalent calculated using Fe concentrate at US\$90/t of dry concentrate and 50% of contained V2O5 at US\$14/lb

Source: RCKS Estimates, Capital IQ, Company Reports

Figure 2: Comparable Companies

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	US\$EV/t Iron Ore
Vanadium One Energy Corp.	TSXV:VONE	\$0.155	29%	51	\$8	\$0.4	\$0	\$8	\$0.01
Champion Iron Limited	TSX:CIA	\$2.11	97%	432	\$911	\$168	\$288	\$1,032	\$0.12
Black Iron Inc.	TSX:BKI	\$0.09	80%	188	\$17	\$0	\$0	\$17	\$0.02
Macarthur Minerals Limited	TSXV:MMS	\$0.09	200%	313	\$28	\$1	\$0	\$28	\$0.01
Alderon Iron Ore Corp.	TSX:IRON	\$0.33	30%	140	\$45	\$6	\$18	\$57	\$0.04
Apollo Minerals Limited	ASX:AON	\$0.11	-24%	169	\$19	\$3	\$0	\$17	\$0.17
Median									\$0.042
Average									\$0.073

Source: RCKS Estimates, Capital IQ, Company Reports

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Vanadium One Energy Corp	TSXV:VONE	2,4

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