



**Positive Preliminary Economic Assessment Achieved
for the Lac Dore Vanadium Project, Chibougamau, Quebec
After-Tax NPV of CDN \$814M and After-Tax IRR of 15.42%**

VANCOUVER, BRITISH COLUMBIA November 15, 2017 - VanadiumCorp Resource Inc. (TSX-V: "VRB") (the "Company") is pleased to announce the positive findings of an independent Preliminary Economic Assessment ('PEA') for its 100%-owned Lac Dore Vanadium Project situated 30 kilometers southeast of Chibougamau, Quebec. The project is to produce vanadiferous titanomagnetite (VTM, magnetite) concentrate from the Lac Doré deposit, which will either be processed using the Company's VanadiumCorp-Electrochem technology or marketed to third parties. Highlights of the PEA base case include:

- ❖ After-tax Net Present Value (NPV) of CDN\$814M, post inflation but not discounted
- ❖ After-tax Internal Rate of Return (IRR) of 15.42%
- ❖ Pre-tax NPV of CDN \$1.057 Billion
- ❖ Pre-tax IRR of 17.46%
- ❖ Nominal VTM production rate of 864,000 tons per year at a nominal price of US\$100 per ton
- ❖ Average mining head grade of 26.6% VTM
- ❖ LOM adjusted to 20 years, requiring 64% of the presently known inferred resources
- ❖ After-tax payback period of 6 years after start-up
- ❖ LOM operating margin of 25% including inflation

Vanadiumcorp Resource Inc. engaged IOS Services Geoscientifiques Inc. ('IOS') for the purpose of compiling the PEA. IOS is a thoroughly independent consulting firm and one of the largest independent consulting firms in geology in the Province of Quebec, having been involved with more than 1,400 projects. IOS collaborated with the development of the Lac Doré project for more than 20 years, as the contracted developer and project manager for its previous owner. IOS utilized its extensive knowledge and data pertaining to the significant mineralization present on VanadiumCorp's Lac Dore project.

The Lac Dore 2017 PEA is preliminary in nature and includes exclusively Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the PEA will be realized.

Adriaan Bakker, VanadiumCorp's President and Chief Executive Officer commented, "We are very pleased with the results of this Preliminary Economic Assessment, which clearly establishes Lac Dore as one of the premier undeveloped vanadium resources, located in a favorable jurisdiction for mining development. The PEA illustrates robust economics and marks a significant milestone for VanadiumCorp to continue to advance Lac Dore towards production. The base case shows that Lac Dore could generate

more than CDN \$1.4 Billion in pre-tax net cash flows and deliver life-of-mine, after-tax net present value of CDN\$ 814 million. Thanks to the experience of IOS with Lac Dore and vanadium expertise, we have based our economic base case on a conservative magnetite concentrate production model that demonstrates a positive cash flow scenario for Lac Dore and provides ideal feedstock for VanadiumCorp-Electrochem Process Technology. VanadiumCorp-Electrochem Process Technology, tested on vanadiferous titanomagnetite from Lac Doré, is achieving excellent recoveries and scaling toward 1 tonne/month nameplate capacity. With the support of all our stakeholders, including our shareholders, employees, local entrepreneurs, Chibougamau regional communities and the Canadian government, we are looking forward to advancing this outstanding vanadium project to the next stage of development.”

ECONOMIC MODEL

Inputs and assumptions used in the study are shown in the following tables. All prices are stated in Canadian dollars, and tons as metric measure.

Capital and Operating Costs	Capital cost (C\$M)	Operating cost LOM (CDN\$M)	Operating cost Per ton VTM
Site preparation	4.2 M\$	0 M\$	n/a
Mine	0 M\$	526 M\$	23.50 \$/t
Mill	114.6 M\$	540 M\$	27.16 \$/t
Buildings	15.3 M\$	0.8 M\$	0.05 \$/t
Tailing and waste pads	6.7 M\$	36.9 M\$	2.18 \$/t
Roadworks	7.0 M\$	1.0M\$	0.05 \$/t
Power line	17.0 M\$	0\$	0 \$/t
Trucking and handling	3.1 M\$	62.1 M\$	3.67 \$/t
Ancillary Facilities	34.2 M\$	6.6 M\$	0.29 \$/t
Pre-construction and EPCM	83,7 M\$	0 \$	n/a
Working capital	20.2 M\$ (year 24)	0\$	n/a
Closure Costs	5 M\$	0 \$	n/a
Contingency 15%	30.5 M\$	0\$	n/a
Total Capital Costs	321.2 M\$	1 073.8 M\$	56.9 \$/t

The average LOM operating expense is estimated at CDN\$56.89 per tonne of VTM, or 42% of selling price.

Inferred Resource:	99,104,000 tons at 26.3% VTM at 1.08% V ₂ O ₅
VTM Resource:	26,067,000 tons VTM
Required resource for PEA:	63,663,000 tons at 26.6% VTM, or 64%
Average Pit ratio:	1.34 tons of waste per ton of ore.
VTM Production rate:	100 tons per hour, 24 hours/day, 360 days/year
Currency exchange rate:	0.75 US\$ / CDN\$

VTM price:	USD\$100/ton, FOB at Chibougamau
Inflation:	2% yearly
Discount rate:	0%
Depreciation rate:	15%
Equity-debt ratio:	100% equity
Total investment:	343,299,705\$
Overall operating cost:	\$57.95 / ton VTM

A series of yearly cash-flows are calculated over a mining life of 20 years, plus 4 pre-production years. The model incorporates the effect of 2% inflation, a working capital allocation, a 15% depreciation on equipment, a progressive buy-back of the power-line by Hydro-Québec, 30% fiscal depreciation, processing allocation (applicable only if metallurgical extraction is made in Québec) plus the following taxes:

- ❖ Environment taxes on tailing, effluents, dusts, and water.
- ❖ Municipal and school taxes on non-production related investments.
- ❖ Québec's mining tax, which is progressive (1% to 4%) and based on head-frame revenues
- ❖ Québec's income tax, which is progressive (16% to 28%) according to profit margin after allocations
- ❖ Federal income tax (15%) after allocations.

No royalties are attached to the project. All pre-construction costs were included in the economic studies, including operating cash flows for the Company, resource definition costs, metallurgical testing, engineering and provisions for environmental rehabilitation. The NPV and IRR calculations include the four pre-production years and are summarized in the table below.

Discount Rate (above 2% inflation)	Pre-Tax NPV (CDN\$M)	After-Tax NPV (CDN\$M)
0%	\$1.057 Billion	\$814 Million
5%	\$498 million	\$369 Million
7.5%	\$333 Million	\$237 Million
10%	\$212 Million	\$139 Million
IRR	17.46%	15.42%

Multivariate sensitivity analysis has been conducted by fluctuating capital expenditures (-30%/+50%), mine and mill operating cost (-30%/+30%), VTM grade (20%-35%), pit ratio (0.8-1.67), currency exchange (0.60\$/1.00\$ US/CND), VTM pricing (50US\$/ton-150US\$/ton), scale (17-300tph VTM), interest rate (5%-25%) and equity/debt ratio (0%-90%). The economics are quite robust, maintaining positive cashflows even over protracted and extremely unfavorable conditions. The most sensitive parameter remains the VTM selling price, which will be dictated by the contract with a non arms-length processing metallurgical facility. The decision to dissociate VTM production at the mine site from vanadium extraction of the VTM is based on the premise that the contemplated process is currently being developed and its economic outcome is currently too speculative to be included in the current study.

Mr. Bakker added: "We were intentionally very careful in our selection of base case input parameters. The positive base case economics are based on conservative, industry standard assumptions for all key inputs. Including all reasonable, potential and future outcomes, the sensitivity analysis demonstrates robust project economics. For example, if the Canadian dollar was to reach par with the US dollar, or if magnetite price was to drop to USD\$80 per ton, the project still has post-tax Internal Rates of Return of 7.9% and 8.85% respectively. Although less attractive, such unfavorable economic conditions will still maintain the project profitability"

Intensive smelting of VTM currently accounts for 73% of the world vanadium production, with vanadium being only a by-product of smelting. Consequently, most steel and vanadium smelting plants outside of China and Russia are currently troubled or shut down. Difficulties with this process reside in the elevated cost of steel production compared to conventional blast furnaces, which cannot be compensated by the credits from the slag. Similarly, the conventional salt roasting process, used by every primary vanadium producer, has been demonstrated as not economically robust in the current stringent environmental regulation and harsh climatic conditions, and disregarded.

Since late December 2016, VanadiumCorp initiated a partnership with Electrochem Technologies and Material Inc. (Montreal, Québec) "Electrochem" to assess the metallurgical and chemical processing of the vanadiferous magnetite from Lac Dore at Electrochem's facilities located in Bourcherville, Québec. Testing of the VanadiumCorp-Electrochem digestion process on Lac Doré VTM successfully produced pure vanadium chemicals, copperas and titanium dioxide. Then, copperas can be converted using vertically integrated Electrochem's patented electrochemical technology (Canadian Patent CA 2,717,887 C) to produce 99.9% pure electrolytic iron and to regenerate acid.. The novel patent pending chemical technology (US Provisional Patent Application US 62/463,411) is jointly owned by VanadiumCorp Resources (50%) and Electrochem Technologies & Materials Inc. (50%).

"Vanadium electrolyte remains in short supply globally as the most critical component of vanadium redox flow batteries (VRFBs) and VTM remains the only abundant primary source of it. Direct processing of magnetite concentrate would help address the industry need to stabilize the variable nature of vanadium market which is largely a function of outdated smelting and roasting methods of production in use today" adds Mr. Bakker, president and CEO of VanadiumCorp. "Our decision to produce magnetite concentrate dedicated to our proprietary process, rather than takes the conventional route, is a conservative base case that decreases sensitivity to specific commodity pricing and provides ideal feedstock for our low carbon footprint process technology. Direct transformation of all three products (vanadium chemicals, iron and titanium dioxide) provides a distinct advantage in the fastest-growing segment of all the vanadium compounds known as vanadium electrolyte. Vanadium electrolyte is a critical battery material that can be re-used indefinitely and has far reaching benefits for a sustainable future"

The chemical and electrochemical processes invented and currently tested by Dr. Francois Cardarelli President of Electrochem Technologies and Materials Inc. would be the cleanest process for the production of vanadium chemical as well as for production of pure iron for the steel or manufacturing industry. As the process does not involve carbon-based pyrometallurgy, it will generate a minimum

amount of greenhouse gases emission as well as very little residues. Its power consumption is estimated at about half of that involved in smelting or roasting processes.

About 120 workers will be required to support the mine operation, which can all be drawn from local communities. Chibougamau being a former mining town, the population is acquainted to mining activity and anticipated to be supportive of the project.

The results of the current PEA will be used to justify systematic drilling to upgrade the resource, as well as to test VanadiumCorp-Electrochem chemical technology and Electrochem's electrochemical technology at a pilot plant scale. The PEA further aims to evaluate the economics of developing the project for the production of vanadiferous titanomagnetite (VTM) concentrate, to be used or sold for its processing.

VanadiumCorp will be filing a National Instrument (NI) 43-101 Technical Report on the Lac Dore 2017 PEA within 45 days of this news release.

Cautionary Statement

Readers are cautioned that the Lac Dore 2017 PEA is preliminary in nature and is based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the PEA will be realized. There is no certainty that the Inferred Resources will be converted to the Indicated or Measured categories, or that the potential Indicated or Measured Resources would be converted to the Proven or Probable Mineral Reserve categories. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimates of Mineral Resources in the PEA and the Mineral Resource statement may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The Lac Dore 2017 PEA recommends that the Lac Dore Project be advanced to a pre-feasibility study level in order to increase confidence in the estimates.

Qualified Persons

The Lac Dore 2017 PEA was prepared by IOS and is based on a Mineral Resource estimate for the Lac Dore Vanadium Project published as a NI 43-101 Technical Report with an effective date of May 21, 2015. The following Qualified Persons have participated in the development of the PEA or are responsible for specific inputs into the PEA.

Qualified Person	Company	Responsibility
Rejean Girard, P. Geo	IOS Geoscientifiques Inc.	Project Management, Economic Analysis, Costs, Infrastructure, Logistics
Christian D'Amours, P.Eng	Géopointcom Inc	Resource Estimations
Jonathan Lapointe, P.Ing	MetChib Services Métallurgiques Inc	Crushing, milling and beneficiation circuit design
Éric Larouche, P. Ing	IOS Geoscientifiques Inc	Infrastructure design

This release was approved by Rejean Girard, P.Geo., and independent consultant to VanadiumCorp. Mr. Girard is a qualified person as defined by National Instrument 43-101. Portions related to the resource estimation have also been approved by Christian D'Amours, P. Geo, independent consultant to VanadiumCorp. and a qualified person as defined by National Instrument 43-101.

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