

ASX Release

3 May 2021

VALOR RESOURCES LIMITED
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ASX Code:

VAL
VALOB

Ordinary Shares:

2,893,831,418

VALOB Options:

400,000,000 (\$0.015 – 31/12/2021)



**VALOR
RESOURCES**

MARCH 2021 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited (**Valor**) or (**the Company**) (ASX: VAL) is pleased to provide its report for the quarter ended 31 March 2021.

Highlights

- Completion of the Canadian Uranium Asset Acquisition;
- Agreement signed with Terra Logic, Canadian Based Geological Survey Company;
- Airborne Survey completed over Hook Lake Project;
- Peruvian VAT refunds received – A\$292,107;
- Placement completed – A\$800,000;
- Unlisted options converted – A\$270,000; and
- Valor supporters buy major shareholder stake through special crossing.

The March Quarter was a significant quarter for the Company with the completion of the acquisition of the Canadian Uranium project along with the completion of our airborne survey over the Hook Lake Project by our Canadian geological partner Terra Logic. The Company also increased the cash position by \$1.35m through a number of actions including placement, conversion of unlisted options and receipt of VAT refunds from Peru.

The June Quarter will see the completion of the data interpretation of the airborne survey including potential new targets and the planned commencement of on groundwork at Hook Lake. Desktop studies including the review of historical data will be undertaken on the Peruvian Copper Projects and the Canadian Uranium Projects.

COMPLETION OF CANADIAN URANIUM ASSET ACQUISITION

As announced on 22 October 2020 and 9 December 2020, the company entered into Agreements (“Transaction”) to acquire 100% of the issued capital of Pitchblende Energy Pty Ltd (“Pitchblende”) the holder of interests in two uranium projects located in Saskatchewan, Canada (“Projects”).

The Transaction was subject to various conditions precedent including shareholder approvals as detailed in the Notice of Annual General Meeting lodged with the ASX on 23 December 2020.

As announced on 29 January 2021, shareholders approved all the resolutions tabled at the Annual General Meeting including the resolutions to give effect to the Transaction.

Valor is pleased to announce that settlement of the acquisition is now complete.

HIGHLIGHTS OF THE TRANSACTION COMPLETED INCLUDE:

- Two substantial exploration assets located within the prolific Uranium district of the Athabasca Basin covering 861km²; and
- Athabasca Basin has an average resource grade of 2% U₃O₈¹ and Historically the basin has produced approx. 20% of world’s primary uranium supply.

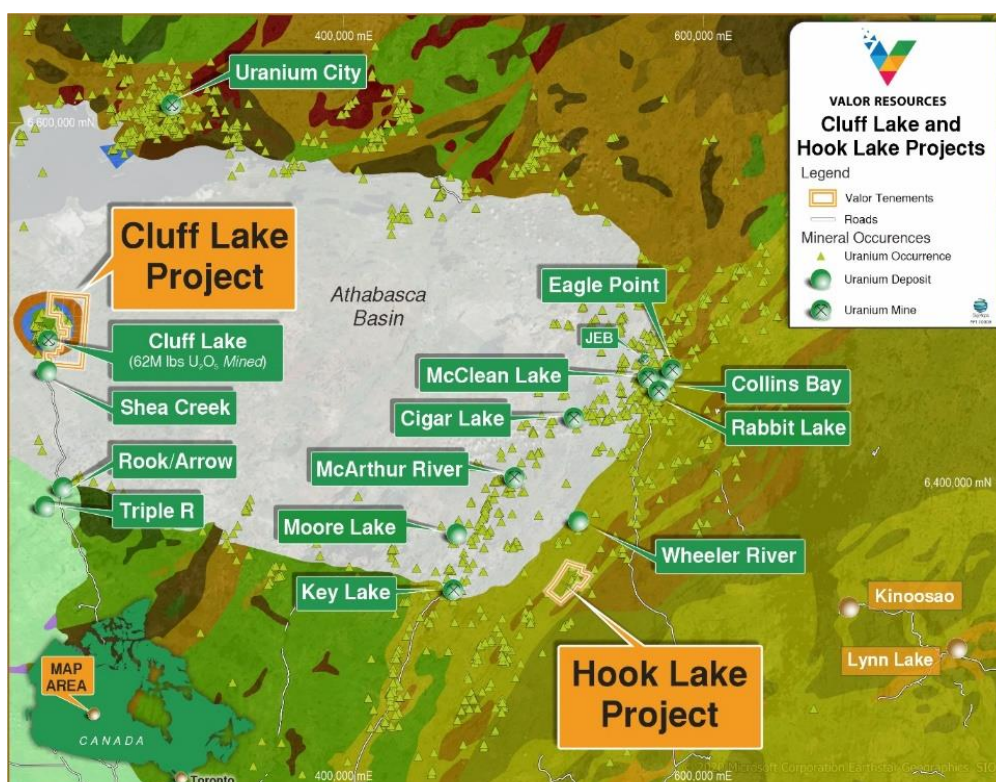
Hook Lake Uranium Project:

- Rock chip sampling of Hook Lake Project has returned grades of up to 68% U₃O₈; and
- Multiple priority targets of surface vein hosted mineralisation identified.

Cluff Lake Uranium Project:

- Located within the Carswell a meteorite impact structure that is host to the Cluff Lake Open Pit Mine which produced 64Mlb U₃O₈ at an average grade of 0.92% U₃O₈² and is located directly adjacent Pitchblende’s Project.

¹Fision Uranium PDAC Presentation ² UEX Corporation, Technical Report on Shea Creek Property



Hook Lake Project Geology

AGREEMENT SIGNED WITH TERRA LOGIC, CANADIAN BASED GEOLOGICAL SURVEY COMPANY

Valor entered into an Agreement with TerraLogic Exploration Inc. (“TerraLogic”) to provide mineral exploration services on its Hook Lake and Cluff Lake uranium projects located in the Athabasca Basin area of Saskatchewan. The first phase of exploration work will be an airborne geophysical survey over the Company’s Hook Lake Project. TerraLogic organised and completed survey in early April 2021.



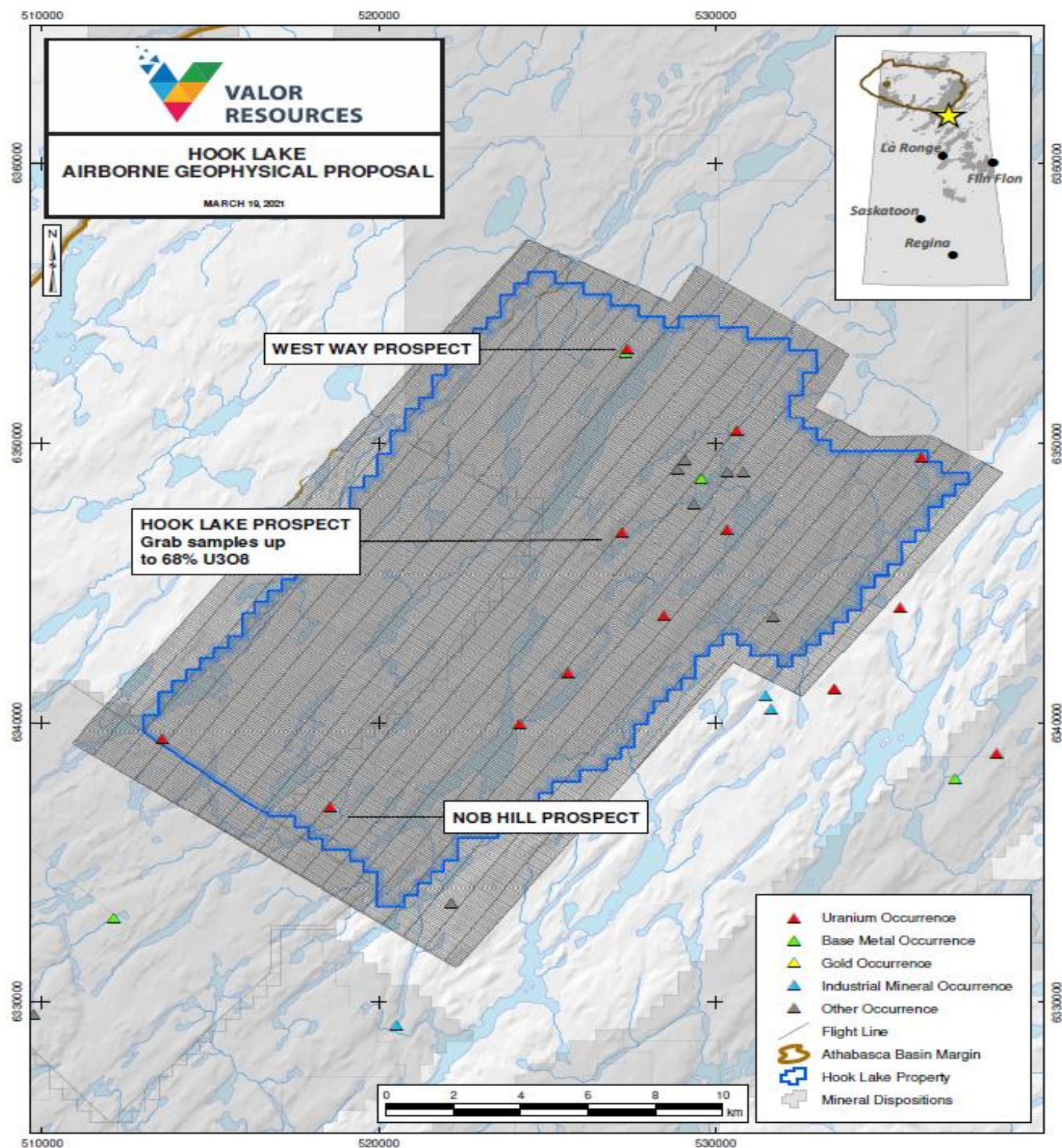
Uranium Scree from Hook Lake Project

AIRBORNE SURVEY COMPLETED OVER HOOK LAKE

TerraLogic designed the low-level airborne magnetic and very-low-frequency electromagnetic (“VLF-EM”) survey to cover the entire Hook Lake claim area, using a fixed-wing aircraft, at 75m line-spacing totaling 5,100 line-km. Final data processing, data interpretation, target selection and recommendations for follow-up ground-based exploration and drilling programs will also be handled by TerraLogic. This process is expected to take approximately 6 weeks, followed immediately by the recommended fieldwork in the summer and fall 2021. Application for the required regulatory permits for the ground-based work is in progress.

The Hook Lake Project consists of 16 contiguous mining claims covering 25,846 hectares, located 60km east of the Key Lake Uranium Mine in northern Saskatchewan. The property hosts over half a dozen significant uranium occurrences including the main Hook Lake/Zone S showing where grab samples from trenching returned assays up to 63% U_3O_8 .³

³ – see Valor Resources Limited ASX Release dated October 22, 2020



Map showing the area to be surveyed within the Hook Lake property location

CORPORATE UPDATE

As part of the acquisition of the Canadian Uranium assets, the company completed a \$800,000 capital raising (before costs) managed by CPS Capital.

The Company also announced that 60,000,000 Unlisted Options expiring 11 February 2024 have been exercised at \$0.0045 to raise \$270,000. Valor will utilise the funds to further its Peru and Canadian Projects and for working capital purposes.

For financial reporting purposes in previous years, Valor had impaired Value Added Tax (VAT) Receivables in Peru as the timing and quantum of receipt from the Peruvian government was uncertain. Under the terms of the Berenguela Sale Agreement with SSR Mining Ltd (SSR) which settled in November 2020, Valor held a Contingent Asset for the recovery of Peruvian VAT. Valor advised during the March 2021 Quarter, that it had commenced receipt of Peruvian VAT refunds and is pleased to confirm that it has received cash refunds of A\$292,107.

As previously announced to the ASX on 9 November 2020, Valor had completed and settled the transfer of the entities which hold rights to the Berenguela Project back to SSR on terms where the consideration for the transfer was the release and discharge of Valor's acquisition obligations including the release of outstanding amounts of USD \$10.8m owed to SSR and relevant security interests. Following settlement of the transfer, SSR had no further project interests with the Company and as a result, wished to sell its shareholding in Valor.

Accordingly, Valor's Broker, CPS Capital, arranged a special crossing trade for SSR to sell 100% of its Shareholding being 247,288,034 Ordinary Fully Paid Shares in Valor representing 8.73% of Issued Capital at a price of \$0.006 per Ordinary Share. Valor's Directors Mr George Bauk subscribed for 15,000,000 Ordinary Fully Paid Shares along with Mr Brian McMaster who subscribed for 20,000,000 Ordinary Fully Paid Shares from the special crossing with the balance of the shares subscribed by existing Valor shareholders highlighting the strong support and sentiment for Valor's current projects from current shareholders.

In accordance with Listing Rule 5.3.5, Valor advises that the payments to related parties as advised in the Appendix 5B for the period ended 31 March 2021, pertain to director fees (A\$112,752), company secretarial fees (A\$16,500) and accounting fees (\$19,800) paid during the quarter.

SECURITIES ON ISSUE

The following table provides a summary of the securities on issue at the time of this report:

Securities	Total Issued
Ordinary Fully Paid Shares VAL	2,893,831,418
Listed Options VALOB @ \$0.015 expiry 31/12/2021	400,000,000
Unlisted Options @ \$0.008 expiry 11/02/2024	60,000,000
Unlisted Options @ \$0.015 expiry 11/02/2024	60,000,000
Vendor Performance Rights	333,333,333
Directors Performance Rights - Vested	90,000,000
Directors Performance Rights	90,000,000

The Performance Rights for Vendors will vest, and be convertible into shares, on the achievement of the following performance milestones and in the following amounts:

- (i) 166,666,667 performance rights vesting on the achievement of significant mineralised intersections of not less than 10m @ >0.5% U₃O₈ or equivalent (e.g. 5m @ > 1.0% U₃O₈) within 2 years after completion; and
- (ii) 166,666,666 performance rights vesting on the identification of a mineral resource of at least 10 million pounds U₃O₈ at a cut-off grade of 0.5%

During the quarter, the milestones were not yet achieved and as such, no Performance Rights for Vendors vested.

During the quarter, the milestone hurdles for 90,000,000 Director Performance Rights were reached and the Performance Rights vested as follows:

Tranche 1 – trading in shares achieves a 20- day VWAP of \$0.0045, Mr George Bauk performance rights of 30,000,000 vested and Mr Gary Billingsley performance rights of 15,000,000 vested.

Tranche 2 - trading in shares achieves a 20- day VWAP of \$0.008, Mr George Bauk performance rights of 30,000,000 vested and Mr Gary Billingsley performance rights of 15,000,000 vested.

The Directors Performance Rights must be converted into shares within 2 years of vesting, at the holder's absolute discretion. Valor will notify the ASX accordingly upon receipt of a Conversion Notice from a holder to convert the Performance Right into Ordinary Shares.

The Director Performance Rights remaining are as follows:

Tranche 3 – trading in shares achieves a 20- day VWAP of \$0.015, Mr George Bauk performance rights of 30,000,000 vest and Mr Gary Billingsley performance rights of 15,000,000 vest.

Tranche 4 – VAL achieves a market capitalisation of \$15m, Mr George Bauk performance rights of 30,000,000 vest and Mr Gary Billingsley performance rights of 15,000,000 vest.

For vesting to occur, the Milestones applying to Tranches 3 must be achieved within 3 years of issue, being 11 February 2024 and the Milestone applying to Tranche 4 must be achieved between 1 year (11 February 2022) and 3 years (11 February 2024).

This announcement has been authorised for release by the Board of Directors.

For further information, please contact:

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About Valor Resources

Valor Resources Limited (ASX:VAL) (“Valor” or “the Company”) is an exploration company focused on creating shareholder value through acquisitions and exploration activities. The Company is focused on two key projects as outlined below in Peru and Canada.

Valor’s 100% owned Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha & Berenguela South Projects located in the Moquegua Department of Peru, 17km ENE of the Chucapaca (San Gabriel – Buenaventura) gold deposit. They are two copper-silver exploration projects comprising fourteen granted mining concessions for a total of 6,900 hectares.

On completion of the acquisition of Pitchblende, Valor will:

- a) have the right to earn an 80% working interest in the Hook Lake Uranium Project located 60km east of the Key Lake Uranium Mine in northern Saskatchewan. Covering 25,846 hectares, the 16 contiguous mineral claims host several prospective areas of uranium mineralisation; and
- b) own a 100% equity interest in 18 contiguous mineral claims covering 60,296 hectares in northern Saskatchewan. The property is located 7km east of the former-producing Cluff Lake Uranium Mine and much of the project area is located within the Carswell geological complex that hosts the Cluff Lake Mine.

Competent Person Statement

Statements contained in this report relating to exploration results and potential are based on information reviewed by Professor Ken Collerson, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Professor Ken Collerson BSc (Hons.) PhD., FAusIMM is an independent consultant geologist. He has field mapping and research experience with the geology of Northern Saskatchewan and has published peer reviewed papers on its geological history. He has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Professor Ken Collerson consents to the use of this information in this report in the form and context in which it appears.

Appendix 1 – Interests in Mining Tenements Held

Project	Concession Name	Tenement	Location	Ownership at beginning of quarter	Ownership at end of quarter	Acquired During the Quarter	Disposed of During the Quarter
Berenguela South	Corona 01-18	01-01208-18	Peru	100%	100%	-	-
	Corona 02-18	01-01209-18					
	Corona 03-18	01-01210-18					
	Corona 04-18	01-01211-18					
	Corona 05-18	01-01212-18					
	Corona 06-18	01-01213-18					
Picha	Picha 2	01-03853-05	Peru	100%	100%	-	-
	Picha 3	01-03854-05					
	Picha 7	01-00578-07					
	Leon 3	01-04638-08					
Cluff Lake	MC00014073	MC00014073	Canada	-	100%	100%	-
	MC00147074	MC00147074					
	MC00147075	MC00147075					
	MC00147076	MC00147076					
	MC00147077	MC00147077					
	MC00147078	MC00147078					
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	MC00147087	MC00147087					
	MC00147088	MC00147088					
	MC00147089	MC00147089					
	MC00147090	MC00147090					
Hook Lake	S-110197	S-110197	Canada	-	Right to Earn 80%	Right to Earn 80%	-
	S-110198	S-110198					
	MC00011055	MC00011055					
	MC00012406	MC00012406					
	MC00013238	MC00013238					
	MC00013241	MC00013241					
	MC00013242	MC00013242					
	MC00013243	MC00013243					
	MC00013244	MC00013244					
	MC00013246	MC00013246					
	MC00013248	MC00013248					
	MC00013250	MC00013250					
	MC00013253	MC00013253					
	MC00013425	MC00013425					
	MC00013594	MC00013594					
	MC00013606	MC00013606					

Appendix 2 - Summary of Exploration Expenditure Incurred per Project

Project	Quarter Cash Spend \$A'000
Berenguela South	-
Picha	-
Hook Lake	170
Total	170