

A\$5.4 MILLION PLACEMENT SUPPORTS HOOK LAKE DRILL PROGRAM AND EXPLORATION ON URANIUM PROPERTIES - ATHABASCA BASIN, CANADA

HIGHLIGHTS

- ▶ **The Company has successfully completed a A\$5.4 million Placement, issuing 319 million New Shares at a price of A\$0.0171 per share**
- ▶ **The Placement was completed at a 7% premium to the closing share price**
- ▶ **Proceeds from the Placement will be used to expand and accelerate exploration activities at the Company's two main projects in the Athabasca Basin, the Hook Lake and Cluff Lake Projects. The program at Hook Lake and Cluff Lake includes:**
 - ▶ Additional airborne and ground geophysics on both projects
 - ▶ Drilling programs at Hook Lake & Cluff Lake Projects that include:
 - ▷ Drill testing targets selected from compilation and interpretation of all data to commence at Hook Lake in early January 2022
 - ▷ Core logging, sampling and assaying, and downhole geophysics
 - ▶ Follow-up drilling based on results of the initial drilling programs
- ▶ **Commence work programs on the Company's five other uranium projects in the Athabasca Basin - Surprise Creek, Lorado and Smitty Mines, Hidden Bay and Pemberton Lake**
 - ▶ Compile all historical data
 - ▶ Rank projects in priority for ground-based work program
 - ▶ Aim to progress top project to drill-ready by the end of 2022
- ▶ **The New Shares were issued at a premium price as "flow-through shares" under the Income Tax Act (Canada), facilitated by Canadian leading flow-through share dealer, Peartree Securities Inc.**
- ▶ **Drilling to commence at Hook Lake in January 2022 with camp construction to commence in December 2021 and selection of a drilling contractor in progress**

Valor Resources Limited (ASX: VAL) ("Valor" or the "Company") is pleased to announce that it has raised proceeds of A\$5.4 million (before costs) ("**Placement**") from the placement of 319 million shares at a price of \$0.0172 per share ("**New Shares**"). This represents:

- ▶ A 7% premium to the last closing price of Valor shares on 22 November 2021 of A\$0.016 per share; and
- ▶ A 4% discount to the 15-day volume weighted average price of Valor shares to 22 November 2021 of \$0.0178 per share.

The Company was able to issue the New Shares at a premium as they were issued under the Canadian flow-through share regime, which provides tax incentives to eligible investors for expenditures that qualify as “flow-through” mining expenditures under the Income Tax Act (Canada) (“Act”).

The funds raised in the Placement allow for the Company to expand and accelerate exploration activities at its Projects in the Athabasca Basin, Saskatchewan, Canada. This program includes diamond drilling of up to 5,000 metres at the Hook Lake Project and 2,500 metres at the Cluff Lake Project.

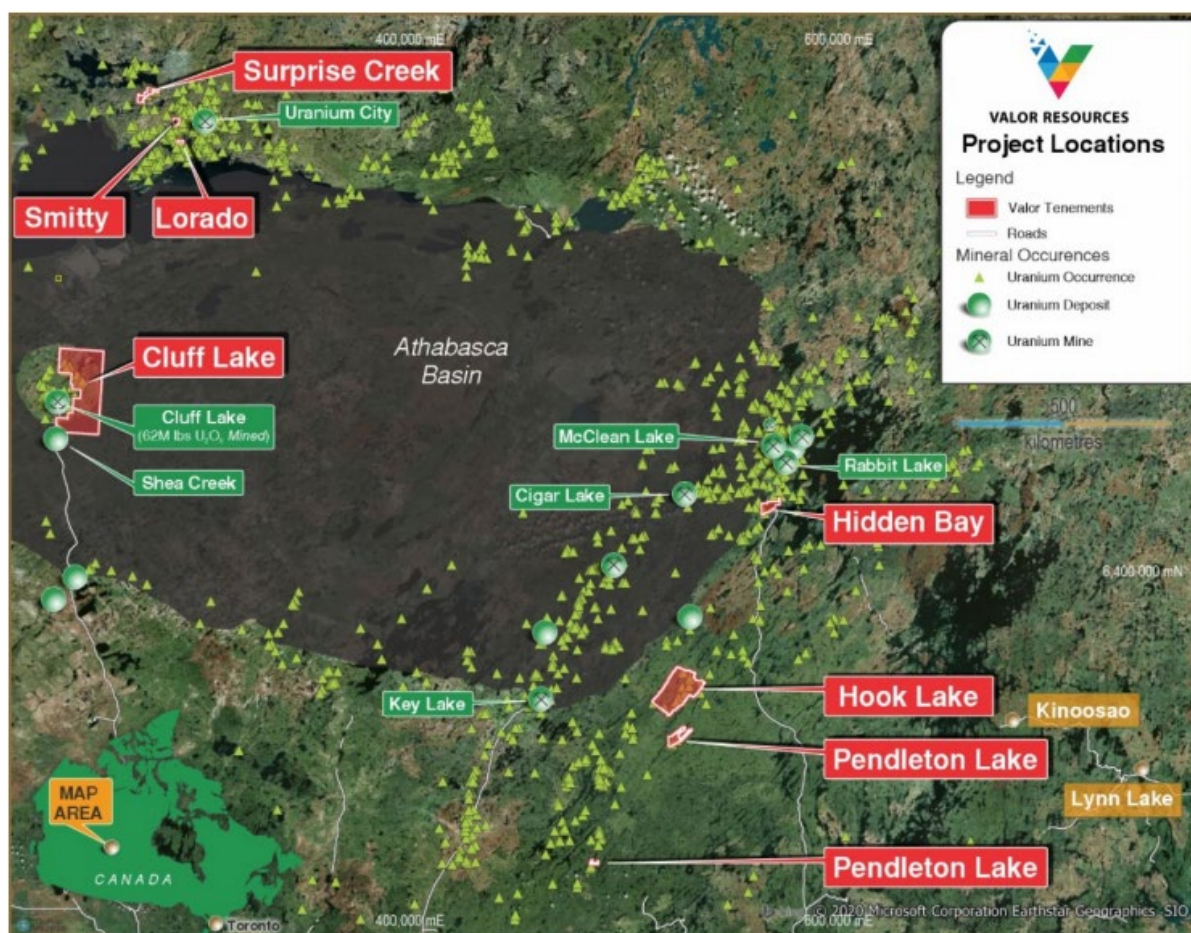


Figure 1: Valor's Athabasca Basin Project Portfolio

On the Hook Lake Project, to date in 2021, the Company has completed airborne VLF-EM, Magnetometer and Radiometric surveys followed by ground mapping, sampling and assaying (see ASX announcements dated 31 August 2021 titled “High-Grade Uranium-Rare Earth-Silver-Lead Results From Hook Lake Field Program” text and Figure 2; 5 August 2021 titled “Radiometrics Reveal New Anomalies at Hook Lake Uranium Project with On-Ground Work Underway” text and Figure 1; and 22 July 2021 titled “Airborne Survey Highlights Targets at Hook Lake-Athabasca Basin, Canada” text and Figure 1). As a result of this work, in conjunction with the ongoing compilation and interpretation of all available historical data, several potential target areas have been selected for drilling with drillhole locations currently being finalised:

- ▶ S Zone
- ▶ West Way
- ▶ Nob Hill
- ▶ Thompson Lake
- ▶ T-Grid
- ▶ Alexander Lake

Figure 2 below shows the locations of the potential drillhole target areas at Hook Lake. Further work is currently underway to finalise the drillhole locations however a diamond drilling program comprising approximately 10-15 drill holes of 200-250m depth is currently proposed.

The drill targets at Hook Lake are highlighted by the S Zone target where recent surface sampling by Valor returned assays of up to 59.2% U₃O₈, as reported in the text and Figure 2 of ASX announcement 31 August 2021 “High-Grade Hook Lake Uranium-Rare Earth-Silver-Lead Results”.

The on-site exploration work is being managed by Dahrouge Geological Consulting Ltd., of Edmonton, Alberta, Canada with the geophysical compilation and interpretation being carried out by Terra Resources Pty Ltd. of Perth, Australia.

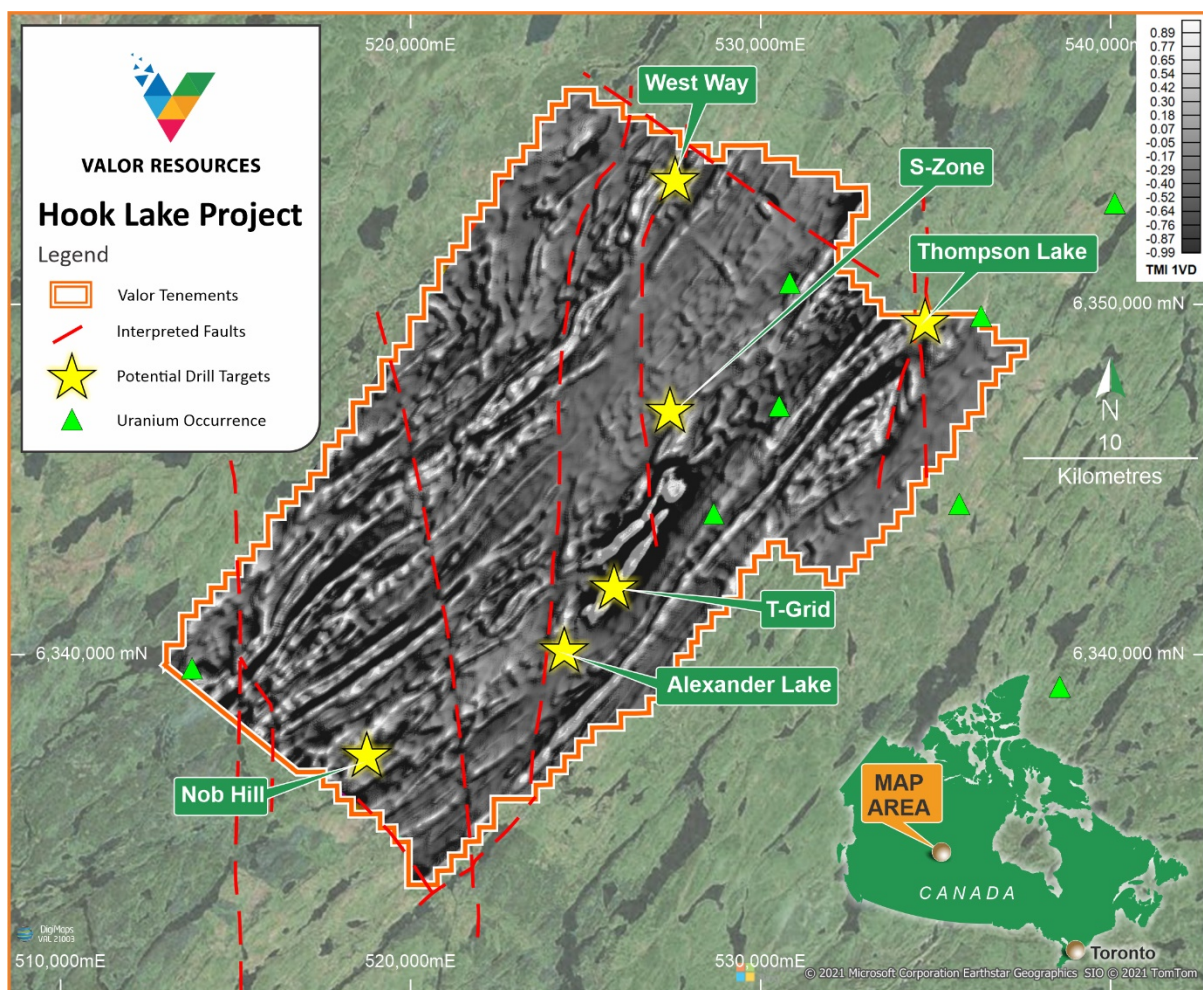


Figure 2: Hook Lake Project – Potential drill hole targets overlain on Aeromagnetic TMI 1VD image

On the Cluff Lake Project, work completed in 2021 includes initial compilation and interpretation of historical geophysical and geological data (see ASX announcement dated 26 August 2021 titled “Evaluation Reveals Multiple Priority Uranium Targets at Cluff Lake, Athabasca Basin, Canada” text and Figures 1 and 3). This work resulted in two priority target areas for follow-up: the Northern Target and the Central Target. The work program for 2022 will include further compilation and interpretation of historical data followed by additional airborne and ground geophysical surveys, detailed mapping and sampling, leading to drilling later in the year.

The map below shows the priority target areas for further exploration work at Cluff Lake:

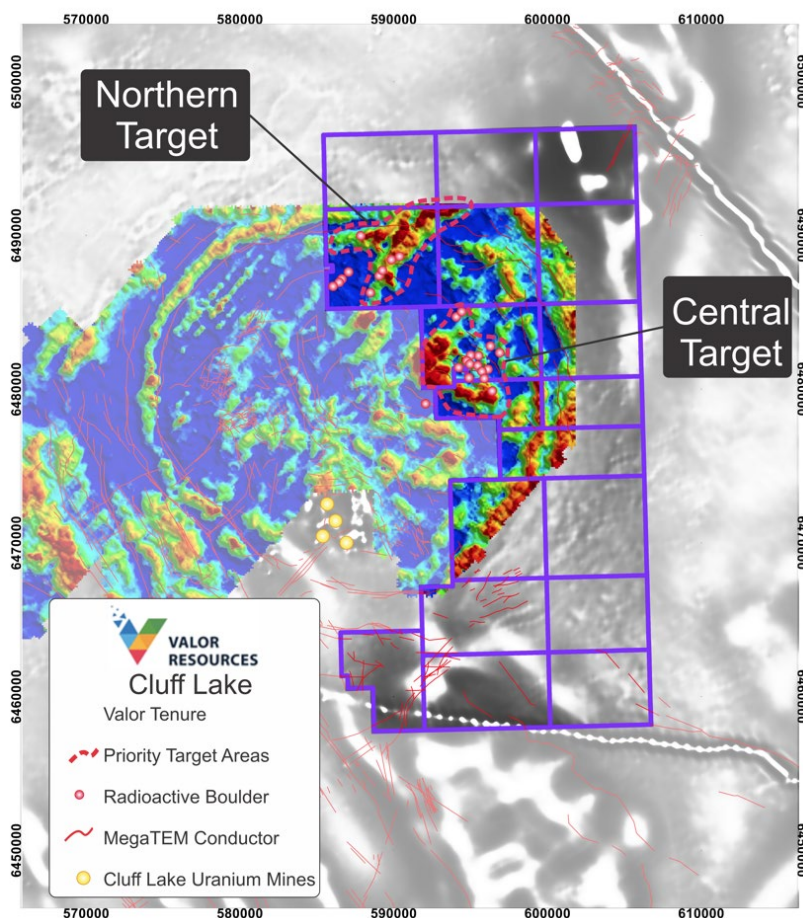


Figure 3: Cluff Lake Project Target Areas

Executive Chairman, George Bauk Comments:

“The flow through funding completed this week has provided the company with the funds to aggressively advance the projects in 2022 with the first key activity being the Hook Lake drilling program which is set to commence in early January. Camp construction is scheduled for early December 2021 and we are currently finalising the selection of a drilling contractor.”

“Significant work has been undertaken by both Dahrouge Consulting and Terra Resources to compile all data both historical and recently completed activity by Valor in 2021 to plan the drill program. We have put the effort in to ensure we have designed the drilling program to target our highest priority targets. The team is well credentialed with experienced geoscientists who have explored for uranium across many continents and in particular the Athabasca Basin”.

“We have seven quality projects and following the completion of the drilling program at Hook Lake, we will have a group of geoscientists continue working on the other properties. Cluff Lake will be the initial focus but we will continue to look for quality exploration targets on all of our projects in the Basin”.

“Uranium is a key ingredient in the global push for a net zero carbon emission strategy. This energy source provides the world with a clean and reliable baseload solution to our changing energy source. Canada is a world class mining and exploration jurisdiction and has a world class uranium province in the Athabasca Basin, home to the highest average uranium grade produced over the last 60 years”.

Placement Details

The term “flow-through share” is a defined term in the Act and is not a special type of share under corporate law. In this case, the term “flow-through share” refers to an ordinary share that will be issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur flow through mining expenditure, and to renounce tax deductions associated with those expenditures to the investor. If the Company and the investor comply with the rules in the Act, the investor will be entitled to deduct the amount renounced in computing the investor’s income for Canadian income tax purposes and as a result, the flow-through shares are issued at a higher price.

The issue of 319,002,466 New Shares at \$0.0171 per share will utilise Valor’s issuance capacity under ASX Listing Rule 7.1 and 7.1A with:

- ▶ 264,737,212 New Shares issued under Listing Rule 7.1 capacity; and
- ▶ 54,265,254 New Shares issued under Listing Rule 7.1A capacity.

Accordingly, no shareholder approval is required in connection with the Placement. The New Shares will rank equally with the Company’s existing fully paid ordinary shares.

The dilutive effect of the Placement on existing shareholders is as follows:

	Shares	Dilution
Shares on Issue before Placement	3,000,581,417	
Shares Issued under ASX Listing Rule 7.1	264,737,212	8.82%
Shares Issued under ASX Listing Rule 7.1A	54,265,254	1.81%
Total Shares on Issue after Placement	3,319,583,883	
Total Dilution		10.63%

The New Shares issued under Listing Rule 7.1 and 7.1A were issued to Peartree Securities Inc as agent, under a placement and not a pro-rata issue as it was considered to be the most efficient mechanism for raising capital for the Company at the time. No fees are payable by the Company to Peartree.

There was no underwriting agreement entered into in relation to the Placement.

CPS Capital Group Pty Ltd (CPS) acted as advisor to the Company under a corporate advisory mandate. Under the mandate, CPS will receive a Corporate Advisory fee of \$6,000 per month for a minimum term of twelve months and a 4.5% management fee of funds raised under the Placement.

Annual General Meeting Update

Further to the ASX Announcement dated 12 October 2021 titled “Date of AGM & Closing Date for Director Nominations”, the Company advises that it has revised the date of the Annual General Meeting and now intends to hold its Annual General Meeting on or about 12 January 2022. Further details will be provided to Shareholders in due course.

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

For further information, please contact:

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Executive Chairman

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ASX: VAL/VALOB

ABOUT VALOR RESOURCES

Valor Resources Limited is an exploration company focussed on creating shareholder value through acquisitions and exploration activities. The Company is focussed on two key projects in Peru and Canada, as outlined below.

In Peru, Valor's 100% owned Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha and 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 ten granted mining concessions for a total of 6,031 hectares.

In Canada, Valor is the 100% owner of the following interests:

- ▶ 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
- ▶ 100% equity interest in 19 contiguous mineral claims covering 62,233 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.
- ▶ Five additional projects within the Athabasca Basin with 100% equity interest in 12 mineral claims covering 10,512 hectares at the Surprise Creek Project, Pendleton Lake Project, Smitty Uranium Mine, Lorado Uranium Mine and the Hidden Bay Project.

COMPETENT PERSON STATEMENT

The information in this documents that relates to Exploration results is based on information compiled by Mr Gary Billingsley a Non-Executive Director of Valor, who is a member of The Association of Professional Engineers and Geoscientists of Saskatchewan in Canada. Mr. Billingsley has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Billingsley consents to the inclusion of this information in the form and context in which it appears.

Additionally, the information in this report that relates to exploration results is extracted from the text and Figures of ASX Announcements dated 22 July 2021, 5 August 2021, 26 August 2021 and 31 August 2021 ("Announcements"). The Company confirms that it is not aware of any new information or data that materially affects the exploration information included in the Announcements. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Announcements.

Ends -----