# DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

**Outstanding exploration results confirm the world-class pedigree of Valor's uranium assets in Canada and copper-silver assets in Peru**

## HIGHLIGHTS

### CANADIAN URANIUM – ATHABASCA BASIN:

- Outstanding high-grade **uranium rock chip results of up to 7.98% $U_3O_8$** confirm a priority drill target at the Surprise Creek Project, located 25km north-west of Uranium City in Canada's Beaverlodge Uranium District:
  - Follow-up field program returns six surface samples above 1% $U_3O_8$ with associated copper, including:
    - **7.98% $U_3O_8$ and 0.67% Cu**
    - **6.83% $U_3O_8$ and 0.17% Cu**
    - **3.35% $U_3O_8$ and 0.04% Cu**
  - Area of surface uranium mineralisation at Surprise Creek extended to a strike length of around 500m at the Surprise Creek Fault target, based on results received from the follow-up field program completed in October.
  - The field program comprised detailed geological mapping and geochemical sampling in the Surprise Creek Fault area as a follow-up to reconnaissance work completed in July, which returned several rock chips with assays >1% $U_3O_8$ and up to 6.13% $U_3O_8$ and 1.03% Cu.
- **Increased landholding at Surprise Creek** adds a large-scale copper play:
  - Three new mineral claims covering an area of nearly 44km$^2$ staked west of Surprise Creek, covering three historical copper showings.
  - The Ellis Bay, Bob Lake and Waterloo showings all have significant copper exploration results dating from the 1950s-70s, with no significant exploration work undertaken in the area since the 1980s.
  - Ellis Bay (or Zone 25) was discovered in 1968 with copper mineralisation reported over an area of 488m by 152m, and two further copper occurrences identified within 1.4km.
  - Bob Lake contains three copper occurrences with mineralisation reported over a strike length of 183m.
- **Priority uranium drill targets confirmed at the Hidden Bay Uranium Project**, located just 20km south-southwest of the historic Rabbit Lake Mine (Cameco), which produced 203Mlbs of uranium concentrate over 41 years:
  - Radon anomalies are partly coincident with priority gravity targets identified in Valor's June airborne gravity survey.
  - Targets are located close to the Athabasca unconformity, with potential for both basement-hosted and Athabasca sandstone-hosted uranium deposits.
  - Hidden Bay has a similar geological setting to Rabbit Lake.

### PERUVIAN COPPER-SILVER:

- Ongoing field work to identify further targets and increase definition around the pending drill program, including the completion of two soil sampling programs, with assays pending.
- Samples taken for the second PIMA program with results due in the March 2023 Quarter.
- Landowner agreements completed for the Picha Project drilling area, with Government approvals awaited.

### CORPORATE:

- Process underway to maximise the value of the Peruvian asset portfolio through a corporate restructure/transaction.

## CANADIAN URANIUM – ATHABASCA BASIN PROJECTS


*Figure 1: Athabasca Basin Projects*

## SURPRISE CREEK PROJECT

Field exploration continues to deliver multiple high-grade uranium samples above 1% $U_3O_8$, confirming the potential of under-explored areas within the Surprise Creek Project as Valor's exploration activity continues to gather momentum.

## URANIUM TARGETS – SURPRISE CREEK

The uranium targets are primarily located in the northern part of the project in the Surprise Creek Fault area and the Plug Lake area. The most significant uranium target, based on historical exploration results, is the Surprise Creek Fault target. Details of the historical exploration at the Surprise Creek Project were provided in the Company's ASX announcement dated 6th July 2022 and titled *"Surprise Creek data review highlights high-grade targets"*.

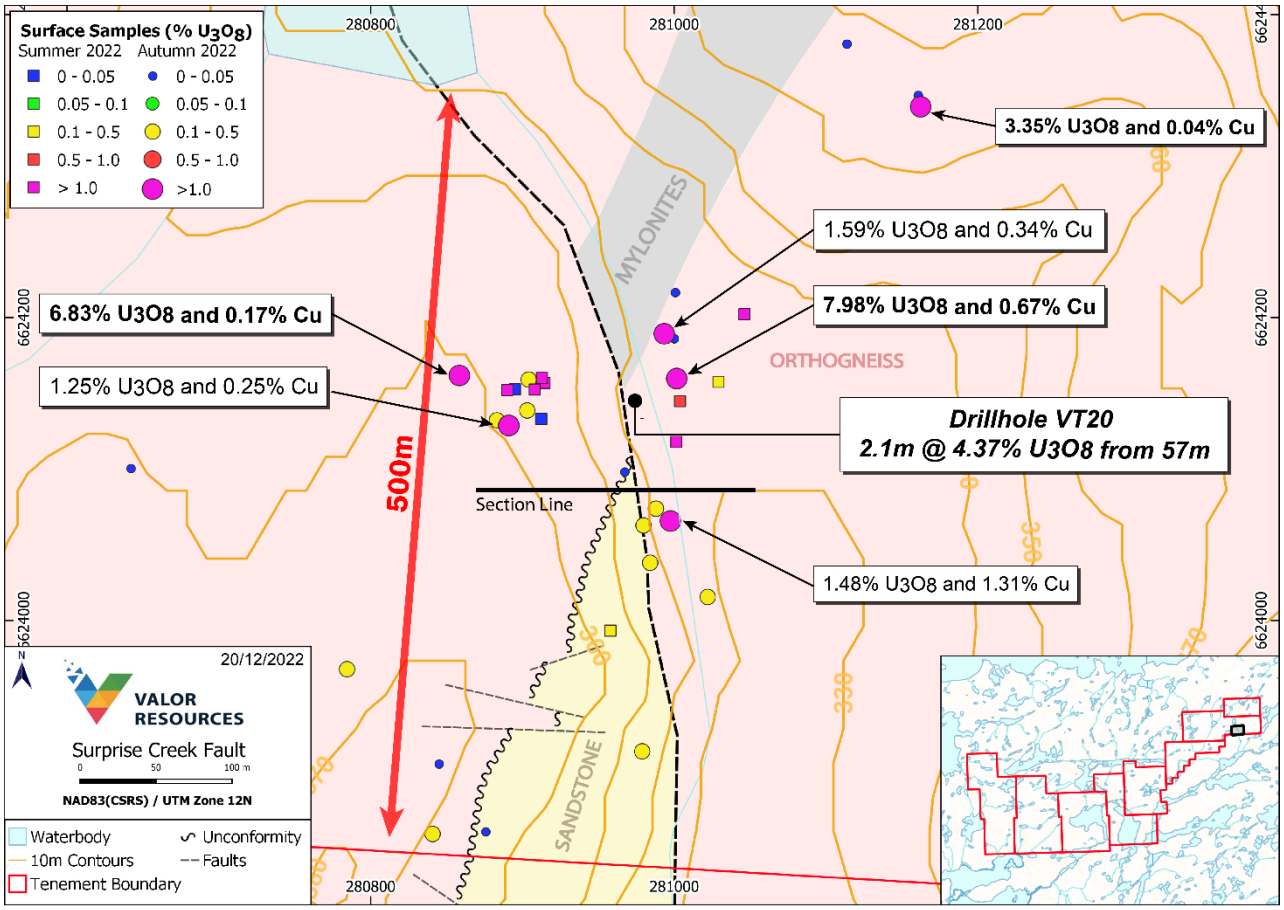



*Figure 2: Surprise Creek Fault – simplified geology and surface sampling results*

*Figure 3: Surprise Creek Fault – historical trench sample site for Sample # 212583 (3.35% $U_3O_8$)*

The field program mainly comprised detailed geological mapping and geochemical sampling in the Surprise Creek Fault area and was designed to follow-up reconnaissance work undertaken in July which returned several rock chip assay results of **>1% $U_3O_8$ and up to 6.13% $U_3O_8$ and 1.03% Cu** (see ASX announcement dated 13 October 2022 titled *"Exceptional Uranium and Copper rock chip results"*).

The latest results have now extended the strike length of known surface uranium mineralisation at Surprise Creek Fault to around 500m, with six rock chip samples returning assays of >1% $U_3O_8$ and another 12 samples returning assays of >0.1% $U_3O_8$.

A total of 50 rock chip samples were collected as part of the program, of which **28 samples** were collected from the Surprise Creek Fault prospect.

Detailed geological mapping was also completed over the area around the Surprise Creek Fault, with results highlighting compelling geological similarities to some of the more significant uranium deposits within the Beaverlodge district such as the Fay-Ace and Gunnar deposits.

Follow-up sampling was undertaken of surface copper mineralisation discovered in the July field program in the western part of the project, which returned high-grade copper assay results including 61.7% Cu, 27.6% Cu, 9% Cu and 4.93% Cu (see ASX announcement dated 13 October 2022 titled *"Exceptional Uranium and Copper Rock Chip Results"*). This follow-up program also returned significant results with several samples grading >1,000ppm Cu and up to 1.07% Cu.

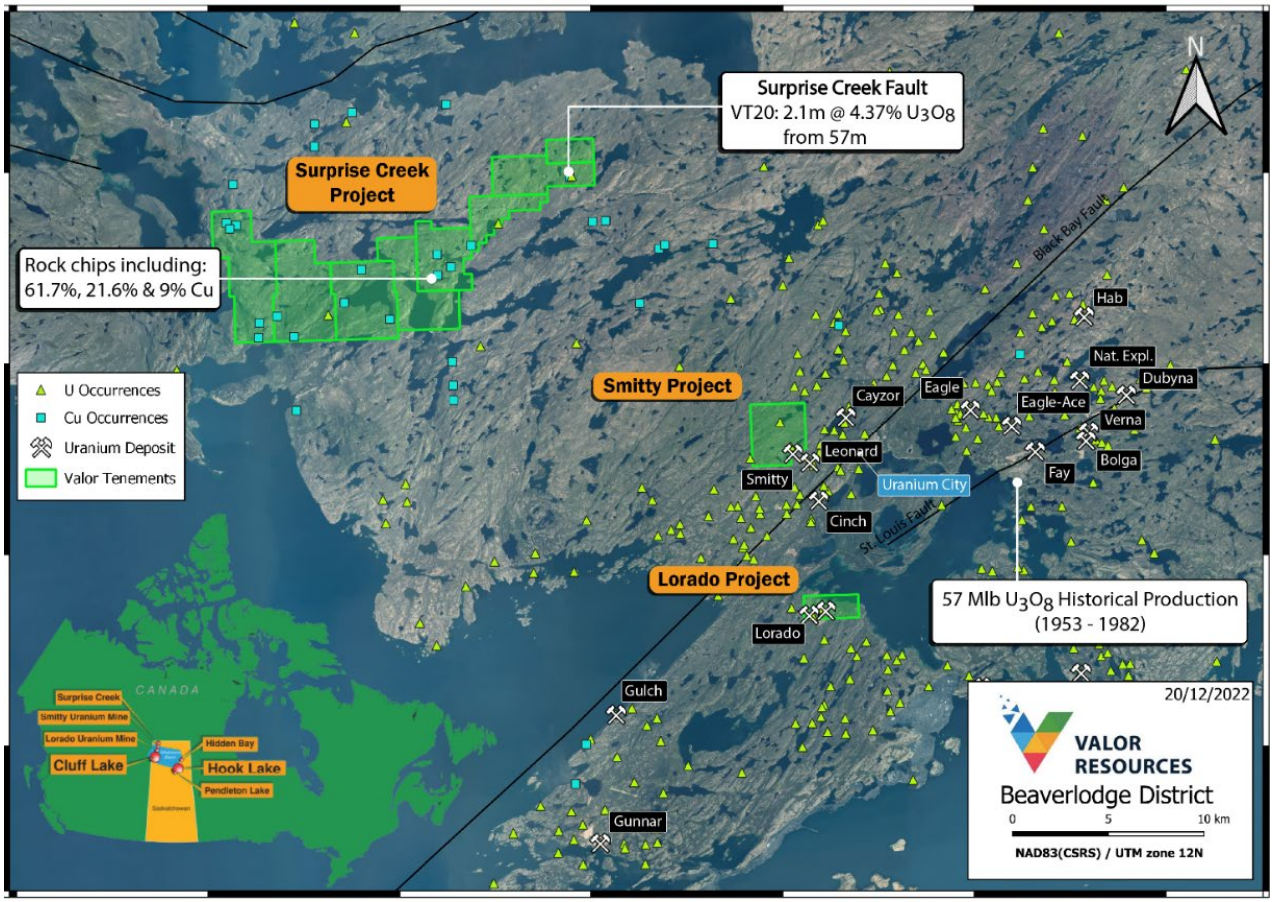



*Figure 4: Surprise Creek Project location (historical production figure sourced from Chi et al, 20202)*

## SURPRISE CREEK FAULT TARGET

First-pass ground-based reconnaissance exploration of this area was completed by Valor in July this year, with assay results reported in the ASX announcement dated 13th October 2022. Of the 11 rock chip samples taken at Surprise Creek Fault in July, **six returned assays of >1% $U_3O_8$** with a peak assay of **6.13% $U_3O_8$**.

During the most recent program, a total of 28 rock chip samples were taken from the Surprise Creek Fault target area, with another two taken from the Plug Lake area to the west.

Six samples returned assays of >1% $U_3O_8$ and another 10 returned assays of >0.1% $U_3O_8$. In most cases the uranium mineralised samples have associated anomalous copper, usually >1,000ppm Cu and up to 1.31% Cu. In some instances, anomalous copper occurs with no elevated uranium.

A handheld RS-125 scintillometer was used to assist in sample selection. It should be noted that the samples are selective in nature with a high potential for bias and should not be considered as being representative of the overall mineralised structure or zone.

Historical drilling at the Surprise Creek Fault prospect from 1968 returned significant intercepts including **2.1m @ 4.37% $U_3O_8$** from 57m (VT20) including **0.9m at 7.5% $U_3O_8$**. Details of the historical exploration at the Surprise Creek Project were provided in the Company's ASX announcement dated 6th July 2022 and titled *"Surprise Creek data review highlights high-grade targets".*

The Surprise Creek Fault is a north-northwest trending fault zone within orthogneisses and mylonite with widespread interpreted albitisation (see Figure 2).

Uranium mineralisation was predominantly found within northeast-southwest and east-west trending carbonate-hematite veins and hematitic breccias (see Figure 5 below), with chlorite alteration and is variably associated with copper (visible malachite) +/- lead mineralisation. The higher-grade uranium mineralisation occurs around the intersection of the Surprise Creek Fault and a north-northeast trending mylonitic zone.

The geological mapping has identified outcropping younger Martin Group red beds (sandstones) which occur unconformably and/or in faulted contact with the older basement orthogneisses (see Figure 2).

Significantly, uranium mineralisation has been found in the Martin Group sandstones and close to the unconformity within the older underlying basement rocks. This mineralisation and the geological setting suggest the Surprise Creek Fault prospect shares many similarities with two of the most significant Beaverlodge Uranium District deposits, Fay-Ace and Gunnar, which are located around 25km south-east and 30km south of Surprise Creek respectively.

Figure 6 below shows geological cross-sections through these two deposits and compares this with an interpreted cross-section through the Surprise Creek fault.

Historical production for the Fay-Ace and Gunnar deposits are reported as 42Mlb and 15Mlbs $U_3O_8$ respectively (Saskatchewan Mineral Deposit Index – SMDI 1285; Ashton, 2010 [1]).

[1] Ashton, K.E., 2010. The Gunnar Mine: An Episyenite-hosted, Granite-related Uranium Deposit in the Beaverlodge Uranium District, in Summary of Investigation 2010, Saskatchewan Geological Survey, Saskatchewan ENERGY AND Mines, Miscellaneous Report 2010-4 p.21


*Figure 5: Uranium mineralisation in hematitic breccia from Surprise Creek Fault target*

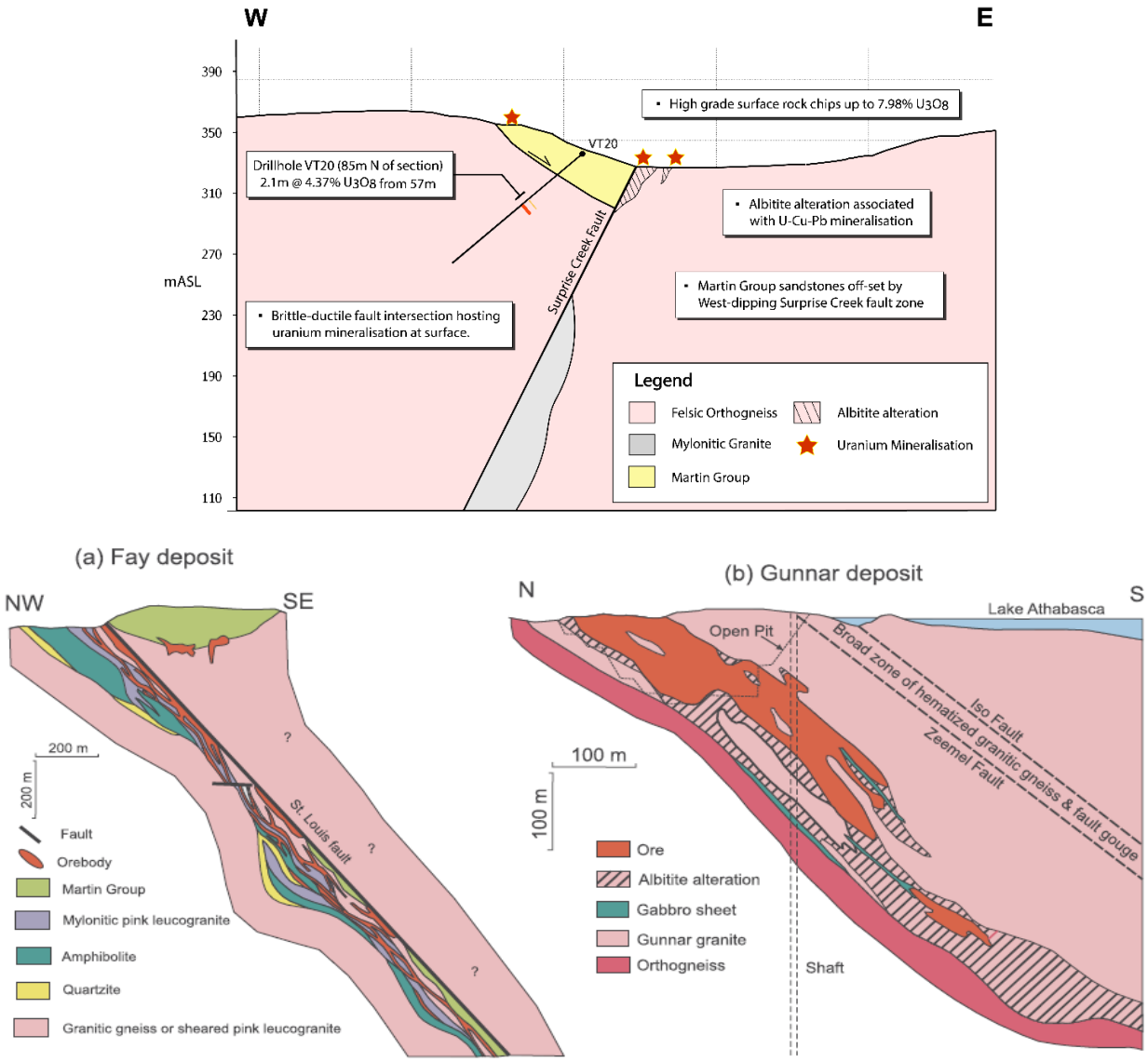



*Figure 6: Schematic cross-section through Surprise Creek fault target compared with cross-sections of Fay and Gunnar deposits, Beaverlodge Uranium District (source – Chi et al, 2020)*

Valor intends to submit drill permit applications for the Surprise Creek Fault area over the northern winter, with the intention of undertaking a drill program in the June Quarter of 2023.

The two samples from the Plug Lake area also returned encouraging results with assays of **0.22% $U_3O_8$** and **0.74% $U_3O_8$**, with associated anomalous copper (up to 0.98% Cu).

## COPPER TARGETS – SURPRISE CREEK

Follow-up of the copper occurrences identified in the July field program was also carried out as part of the September/October field program. A further **17** samples were collected in this area targeting the copper occurrences. Of the 17 samples, seven returned assays of >1,000ppm Cu and up to 1.07% Cu. Four separate areas of copper mineralisation have now been identified by the field programs.

Figure 7 below shows where copper occurrences have been confirmed in the field along with the assay results from the July and September/October field programs.

The host rocks for most of these copper occurrences are mylonitic granitic rocks and/or metasediments with disseminated sulphides and copper oxides and within veinlets and fractures. Most of these copper occurrences are located close to the unconformity between the Thluico Lake Group sediments and the older Tazin Group mylonites suggesting a possible genetic link.

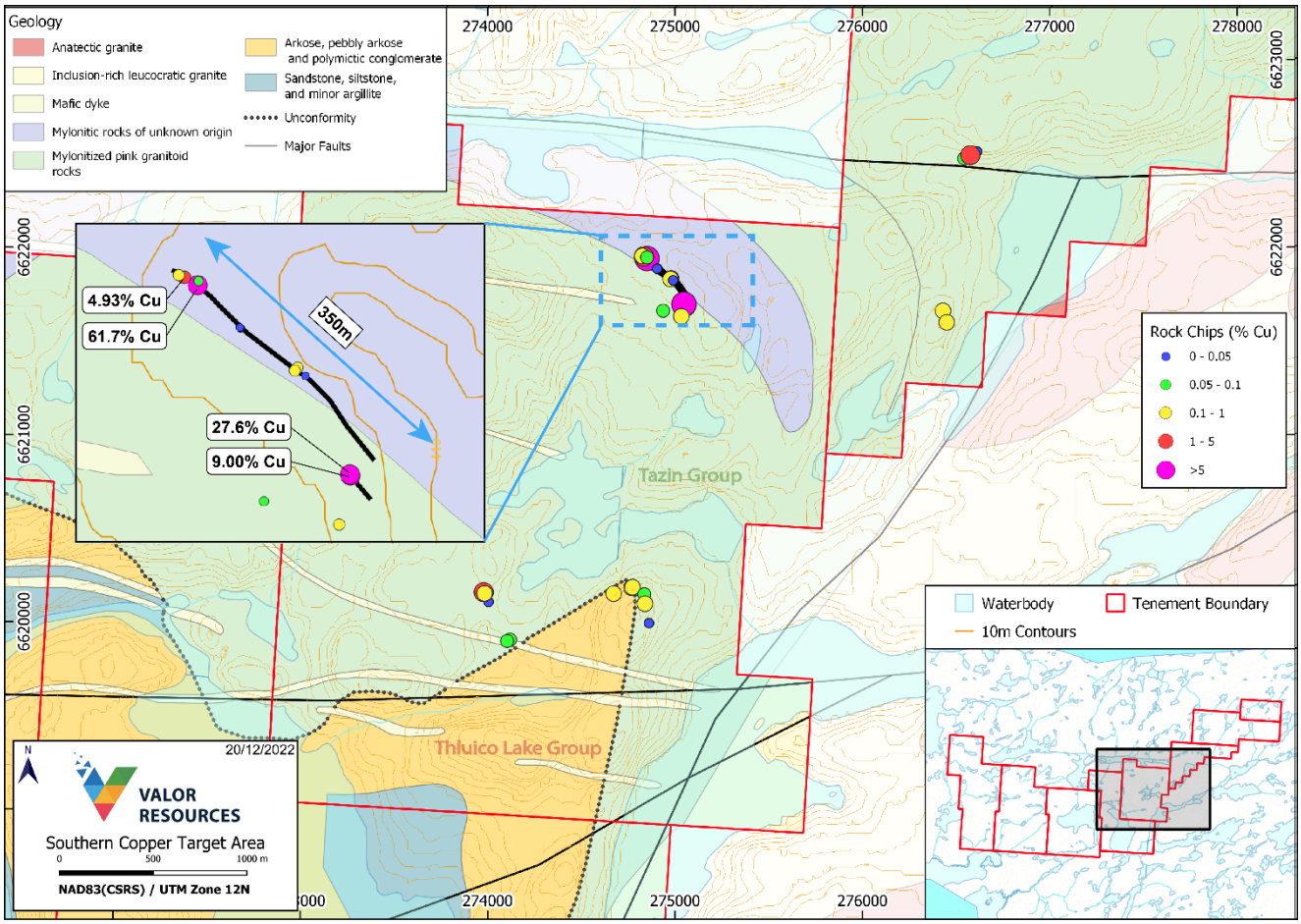



*Figure 7: Surprise Creek: location of copper occurrences and sampling*

## SURPRISE CREEK PROJECT – ADDITIONAL LAND HOLDINGS

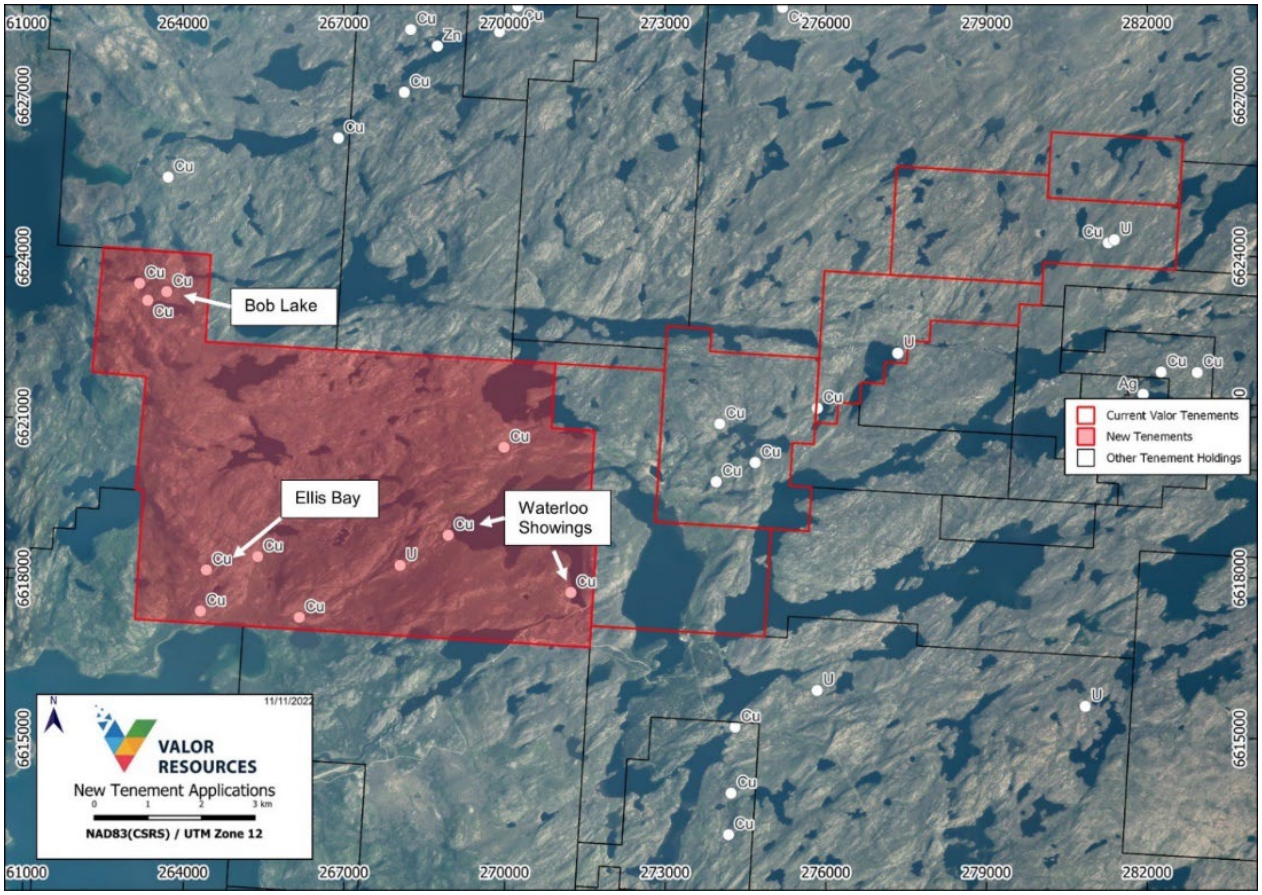



*Figure 8: Surprise Creek Project – landholdings and mineral occurrences*

Valor Resources has staked three new mineral claims covering an area of 4,397 hectares (43.97km$^2$) adjoining its 100%-owned **Surprise Creek Uranium Project** in northern Saskatchewan, Canada (Figure 8).

The three new claims cover several historical copper and uranium occurrences, the most significant of which are the Ellis Bay, Bob Lake and Waterloo showings. All three of these showings have significant copper results dating from the 1950s-70s, with minimal exploration undertaken from the 1980s onwards.

The showings have strong geological similarities with the copper-only mineralisation located by Valor on its existing Surprise Creek claims and reported in the ASX announcement dated 11th August 2022 titled "*Uranium and copper mineralisation identified at Surprise Creek*".

A detailed review of the historical exploration data from the newly-staked areas is currently underway. This process will include a compilation, review and interpretation of all publicly available geological and geophysical datasets to prioritise areas for follow-up.

### ELLIS BAY[2]

The Ellis Bay copper occurrence was first located in 1968, however the 25 Zone was detected in 1971 by airborne EM and magnetometer surveys. Copper mineralisation at varying concentrations is reported at the Zone 25 occurrence over an area of 488m x 188m.

[2] Saskatchewan Mineral Deposit Index SMDI 1506, 1507, 1508
https://applications.saskatchewan.ca/mineral-deposit-index

Five diamond drill-holes were completed at Zone 25 by Pinex Minerals in 1971 with copper mineralisation intersected in all holes.

Another occurrence 1.4km north-east of Zone 25 was also located which was tested with six diamond drill-holes. After the work in the 1970s the area was only briefly explored from 1999 to 2001 by Phelps Dodge Corporation.

The area is underlain by mylonitic quartzo-feldspathic and pelitic rocks of the Archean Tazin Group. It is overlain to the northwest and southeast by younger Palaeoproterozoic Thluicho Lake conglomerates, arkoses and argillites.

The showing consists of pyrite and chalcopyrite ± minor bornite and malachite veinlets, films, fracture infillings, and individual grains. The foliation parallel mineralisation is hosted by a Tazin Group mylonitic schist. Cross-cutting quartz veining, although rare, contains some chalcopyrite. Fluorite is also often present.

### BOB LAKE[3]

The Bob Lake copper showings were first reported in 1952 by Great West Uranium Mines. Eight drill holes were completed to test the north and south showings (around 350m apart) with copper mineralisation reported. After 1971 there is no reported significant exploration in this area.

The mineralisation is reported to occur as disseminations in the gneisses and Thluicho Group metasediments and in veinlets and stringers of quartz and calcite. The north showing reportedly consists of chalcopyrite mineralisation within a large irregular mass of quartz (12.2 x 4.6 x 1.2 m) in size which occurs in granitized Thluicho Group metasediments.

The south showing appears to be related to a narrow fracture zone striking southeast. A third showing (Starlite Cu A Zone) occurs about 350m east, with chalcopyrite-bornite mineralisation reported in widths up to 7.6m over a strike length of 183m.

### WATERLOO SHOWINGS[4]

The main showing was discovered in 1969 by North American Rare Earths Ltd. As with the other showings, after 1971 the area was only briefly explored from 1999 to 2001 by Phelps Dodge Corporation.

Mineralisation is located within the older Tazin Group basement rocks and specifically a highly fractured, locally sheared and altered granite plug which is cut by east-west trending dolerite dykes. Disseminated and blebby chalcopyrite is fracture-controlled and confined to quartz veins.

[3] Saskatchewan Mineral Deposit Index SMDI 1498, 1499, 1501
https://applications.saskatchewan.ca/mineral-deposit-index

[4] Saskatchewan Mineral Deposit Index SMDI 1496, 1500
https://applications.saskatchewan.ca/mineral-deposit-index

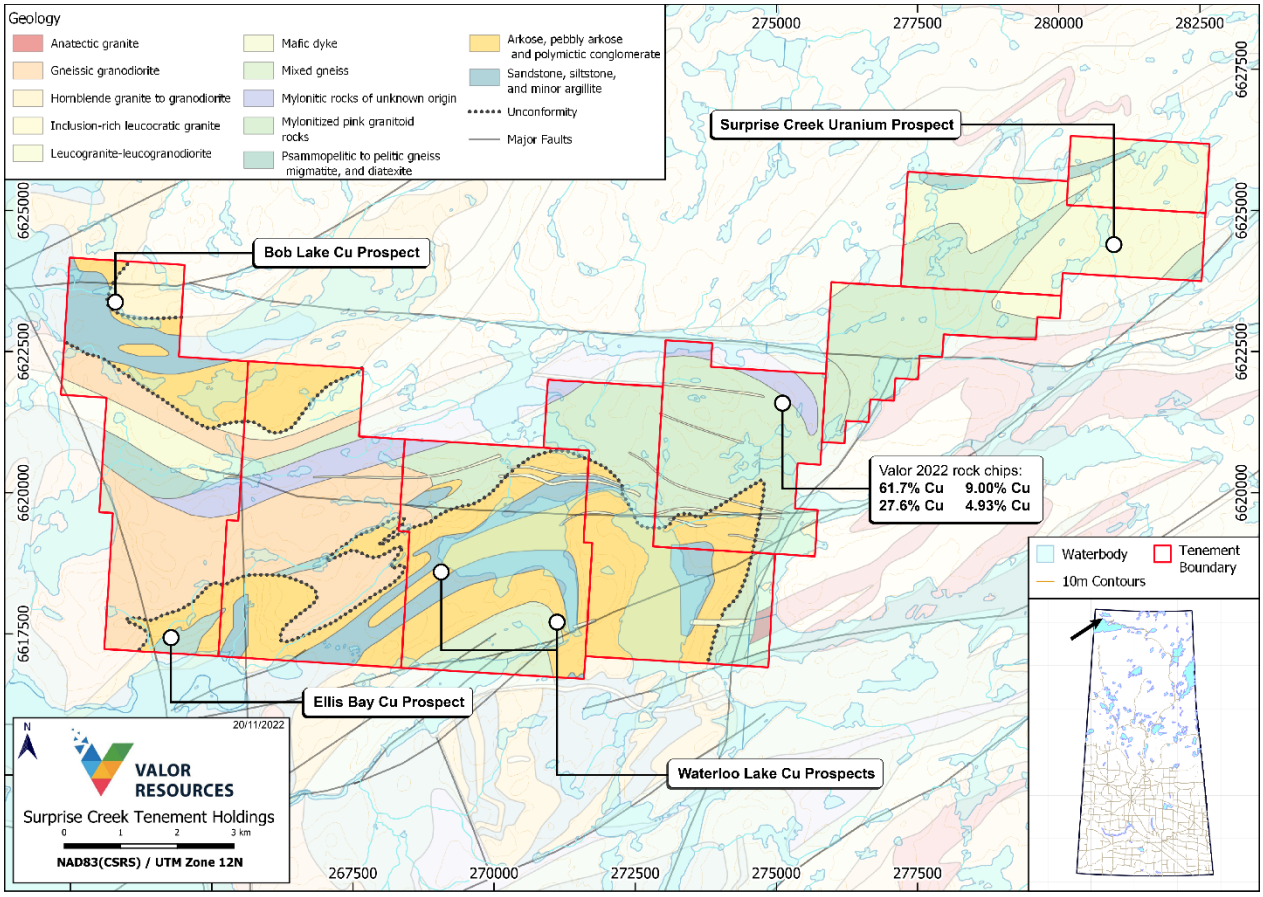



*Figure 9: Surprise Creek geological interpretation*

## HIDDEN BAY PROJECT

During the quarter, Valor Resources completed successful radon-in-soil surveys over large gravity targets at its **Hidden Bay Uranium Project**, located 20km south of the Rabbit Lake Uranium deposit on the eastern flank of the Athabasca Basin in Canada (see Figure 10).

The surveys were designed to follow up on six prospective targets identified from previous work completed by Valor, comprising a detailed review of historic exploration data and an airborne gravity gradiometry (AGG) survey. Details of these targets were reported in the ASX announcement dated 9th August 2022 titled "*Hidden Bay Uranium Airborne Survey identifies drill targets*".

The Company contracted RadonEx Ltd to complete a Radon Flux Monitor (RFM) survey over five of these targets, with a total of 617 points measured.

The survey comprised three grids – the SW, Central and NE grids – with RadonEx interpreting a 1km long north-south Priority 1 radon trend on the SW grid, a potential 1km long ENE striking Priority 1 radon trend on the Central grid, and some anomalies on the edge of the NE Grid (see Figures 11 and 12).

An initial site visit was also completed to establish logistical requirements and an on-ground review of recently collated historical data. The site visit was cut short due to wildfires in the area.

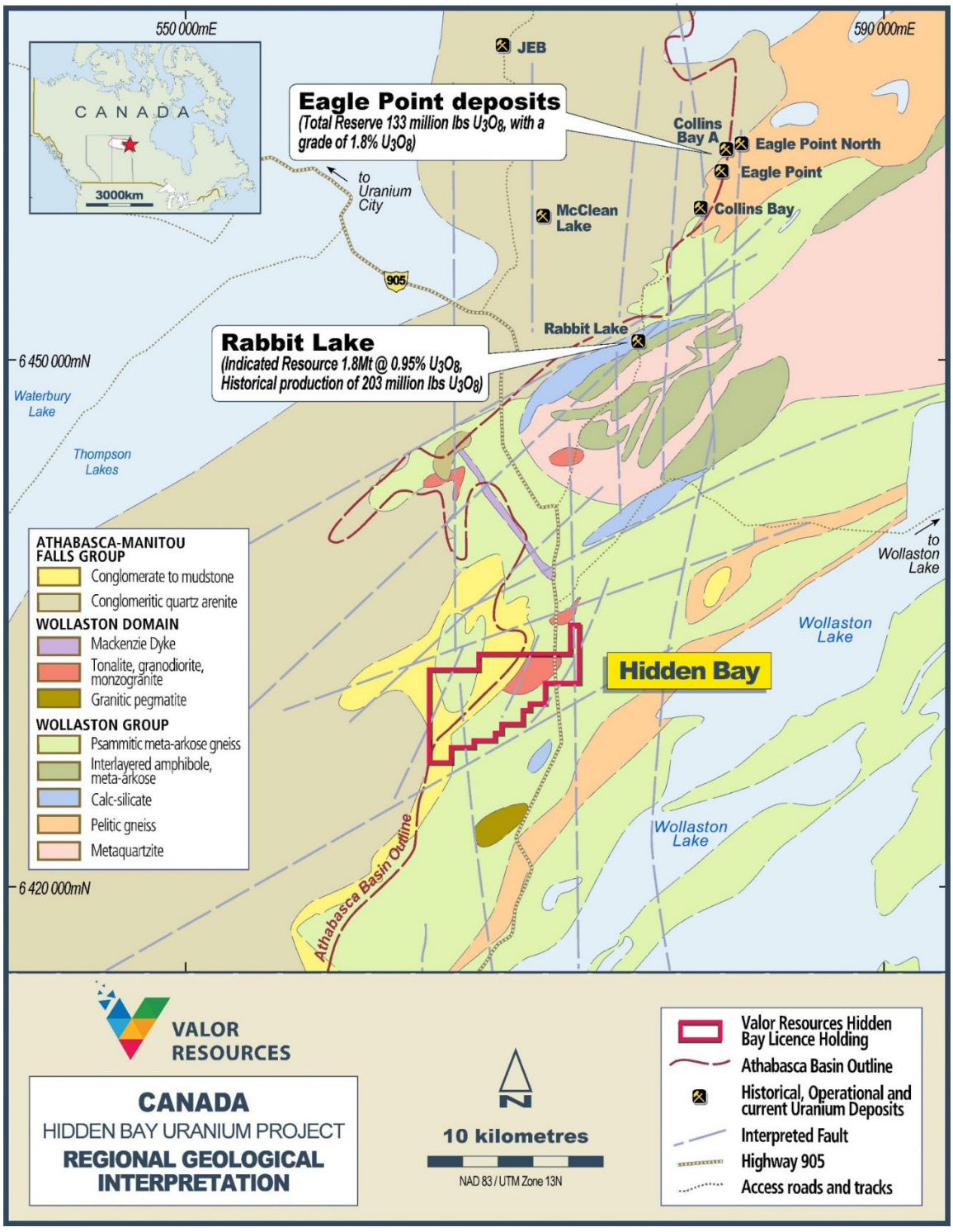



*Figure 10: Hidden Bay geological setting*

## RADON SURVEYS & RECONNAISSANCE FIELD WORK

Valor has completed a radon flux monitoring (RFM) survey at the Hidden Bay Uranium Project and an additional reconnaissance field visit. The survey was completed in August 2022 on behalf of Valor by RFM survey specialists, Radonex Ltd.

The results of the survey have been received and interpreted by RadonEx Ltd. Radon geochemistry is a well-known exploration technique used in the Athabasca Basin. Radon gas is formed from the decay of radium, a by-product of uranium decay.

Due to hydrogeochemical processes, radium can concentrate along faults and fractures extending away from uranium mineralisation. Radon concentration can then be measured in groundwater, soils or air at surface. RadonEx's expertise in interpreting this data enables them to distinguish between transported surficial radioactivity and real bedrock-sourced radon diffusion trends.

The survey was spread over three separate grids, the SW, Central and NE grid, with a total of 617 sites recorded. The original plan was for 881 sites to be recorded, however some areas were unsurveyed due to muskeg (peat bog) and the survey was also cut short due to local wildfires. The area is dominated by thick glacial deposits, lakes and muskegs, meaning conventional surface geochemical sampling is ineffective, resulting in the use of radon-in-soil sampling.

## SURVEY RESULTS INTERPRETATION

The results of the radon survey were interpreted on the basis of the radon flux results considered in combination with the station-by-station scintillometer (CPS) readings, local topography, soil conditions, and RadonEx's experience with uranium exploration utilising passive ionisation chambers in the Athabasca basin.

## SW GRID

A real north-south oriented radon trend (SW1) has been interpreted across the centre of the grid (see figure 11). The trend is nearly 1km in length and is open to the north. Further sampling to the north is recommended.

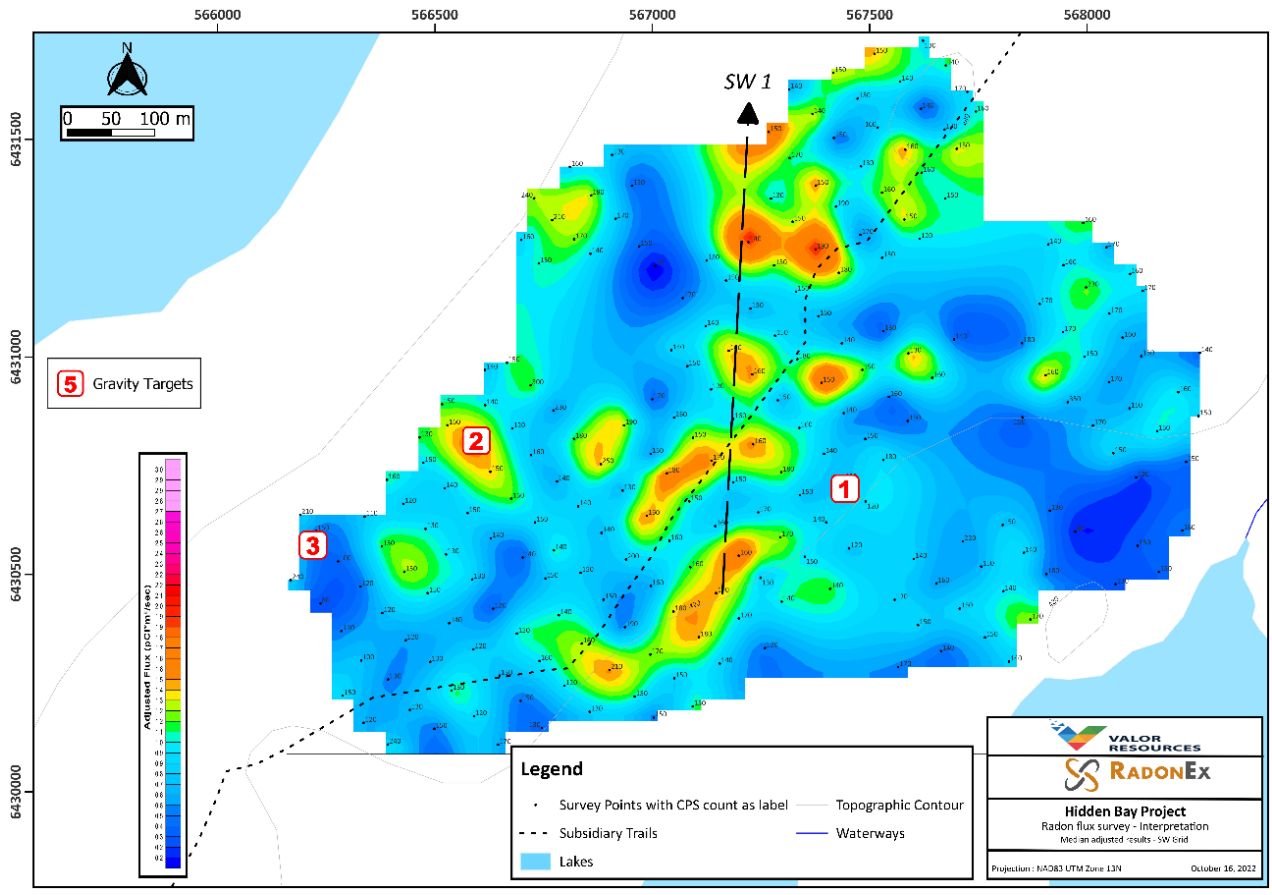



*Figure 11: Hidden Bay – SW Grid RFM interpretation*

Significantly, this anomaly is approximately sub-parallel and coincident with an interpreted north-south trending Tabbernor fault structure. Several uranium deposits in the eastern Athabasca Basin are associated with a north-south structural component, including Rabbit Lake and Eagle Point.

It has been proposed that reactivation of the Tabbernor fault system coincided with the formation of large uranium deposits in the Athabasca Basin and the Tabbernor system may have controlled deposit location.

In addition, two of the highest priority gravity anomalies (Targets 1 and 2 – see Figure 11) lie adjacent to the north-south radon trend. Target 1 sits on the eastern side of the Athabasca unconformity and occupies a strong gravity low and potentially a contact with an intrusive granitoid and proximal to a magnetic low.

Target 2 is located on the western side of the Athabasca unconformity within the Athabasca - Manitou Falls Sandstone and occupies a strong gravity low and a magnetic low with a surface geochemical cobalt (0.5-1.6ppm) anomaly. Neither of these targets have any previous drilling.

## CENTRAL GRID

On the Central grid, two radon flux anomalies (Cen1, Cen2) requiring further investigation have been interpreted (see Figure 12). Cen 2 is interpreted as a linear anomaly over at least 200m, and it is tentatively interpreted that Cen 2 may be continuous with Cen 1.

Further detailed RFM coverage would be required to confirm this interpretation. This interpreted trend is sub-parallel and near coincident with an ENE trending fault and adjacent to a gravity anomaly (target 4) providing further confidence in the target.

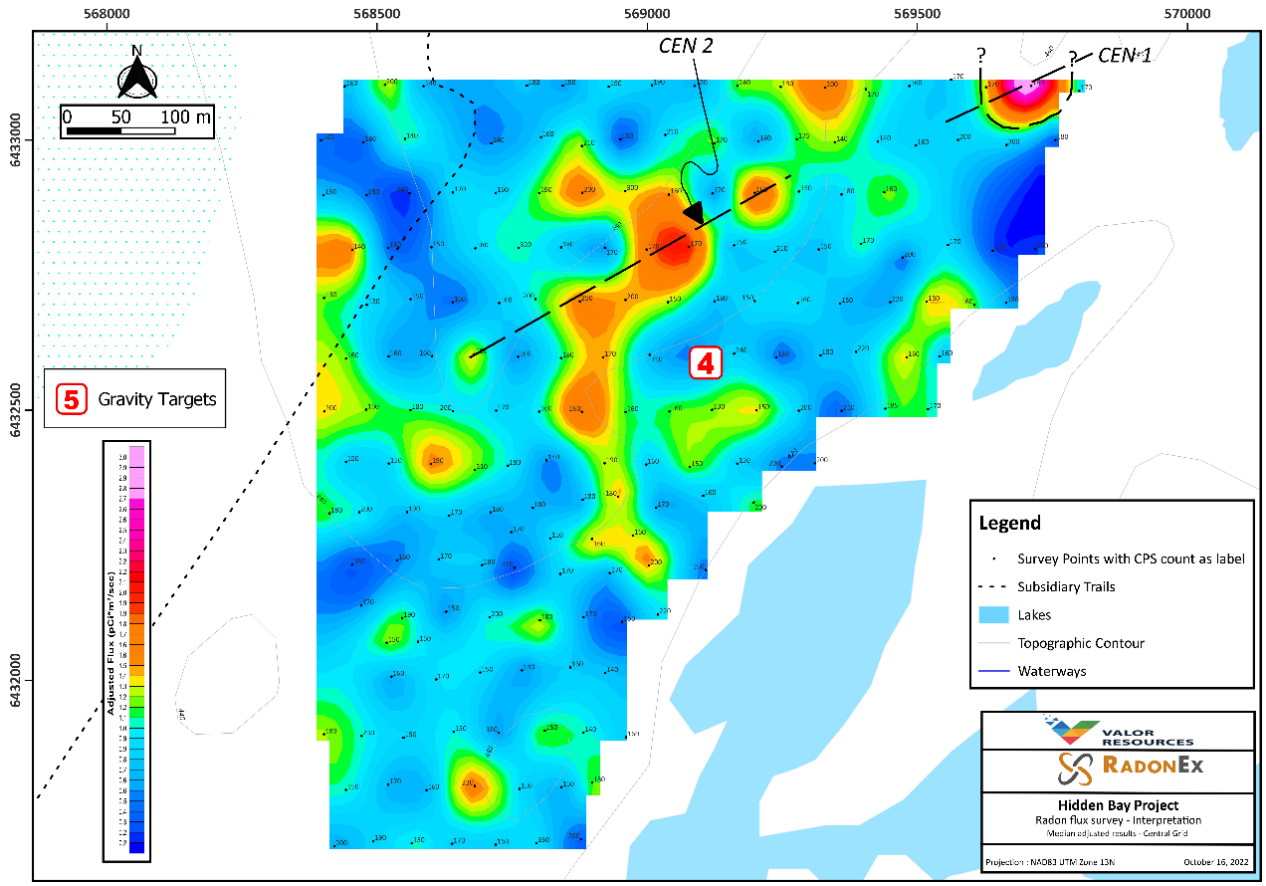



*Figure 12: Hidden Bay – Central Grid RFM interpretation*

### NE GRID

Two significant radon flux anomalies have been interpreted in this area. NE 1 anomaly in the south-east corner of the grid is interpreted to be caused by a bedrock source, as is the NE 2 anomaly on the northern edge of the grid. additional RFM coverage is recommended in the area of both the NE 1 and NE 2 anomalies.

### SW GRID

Lines on the SW grid were oriented NW-SE with a line spacing of 100m and site spacing of 80m. 65% of the original planned 409 points were surveyed with 35% of sites omitted due to poor test conditions – muskeg and swamp.

### CENTRAL GRID

Lines on the central grid were oriented e-w with a line spacing of 100m and site spacing of 80m. 84% of the original 254 planned sites were measured.

### NE GRID

Lines were oriented NNW-SSE with a line spacing of 100m and site spacing of 80m. 72% of the original 218 planned sites were tested with 28% omitted due to muskeg or swamp.

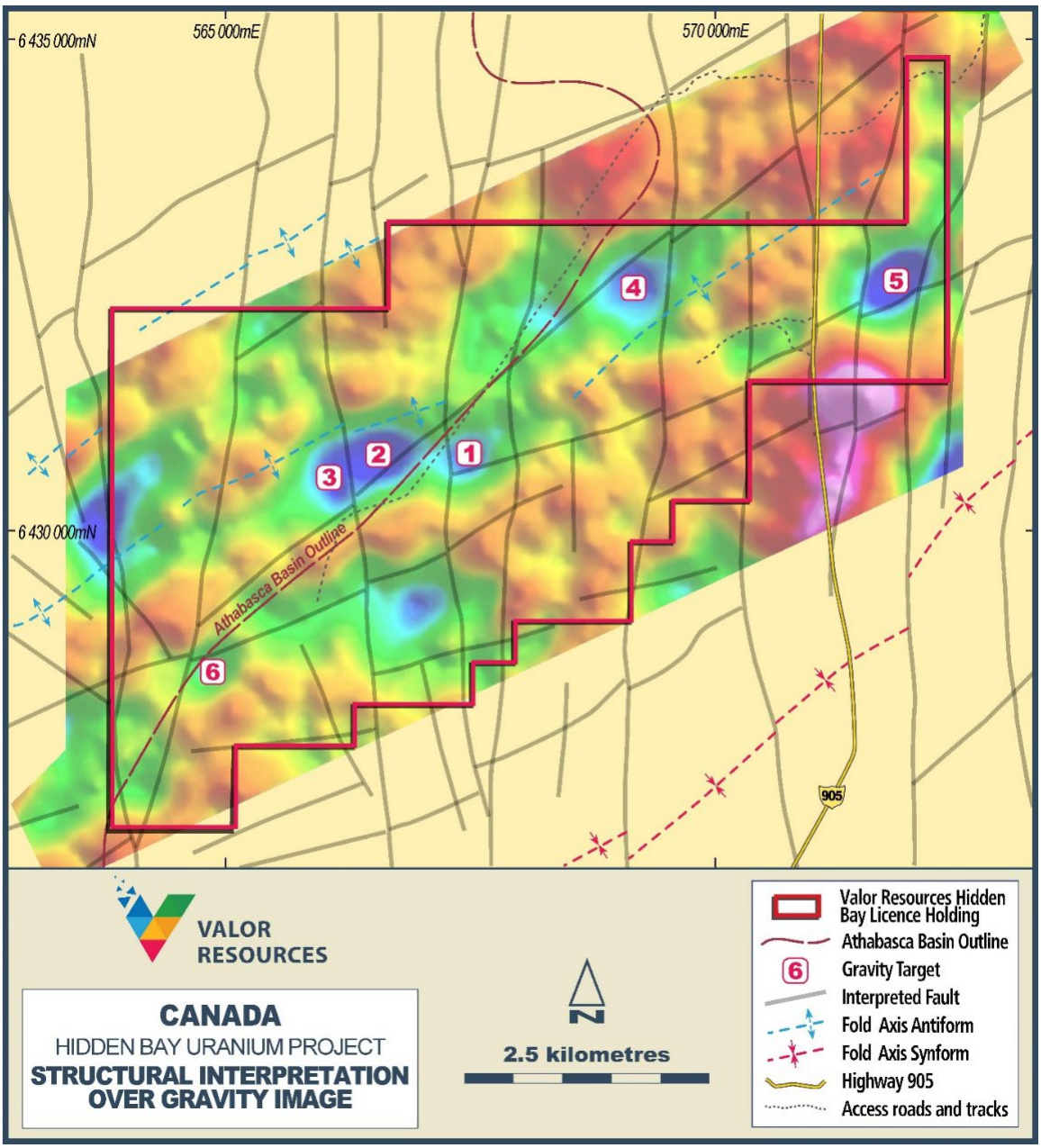



*Figure 13: Hidden Bay Priority Gravity Targets*

## NEXT STEPS

| Task | Target Date | Description |
|---|---|---|
| Cluff Lake Gravity survey results | February | Final interpretation of airborne gravity survey |
| Pendleton and MacPhersons Lake Historical data review | February | Review of all historical data including targeting |

## PERUVIAN COPPER-SILVER PROJECTS

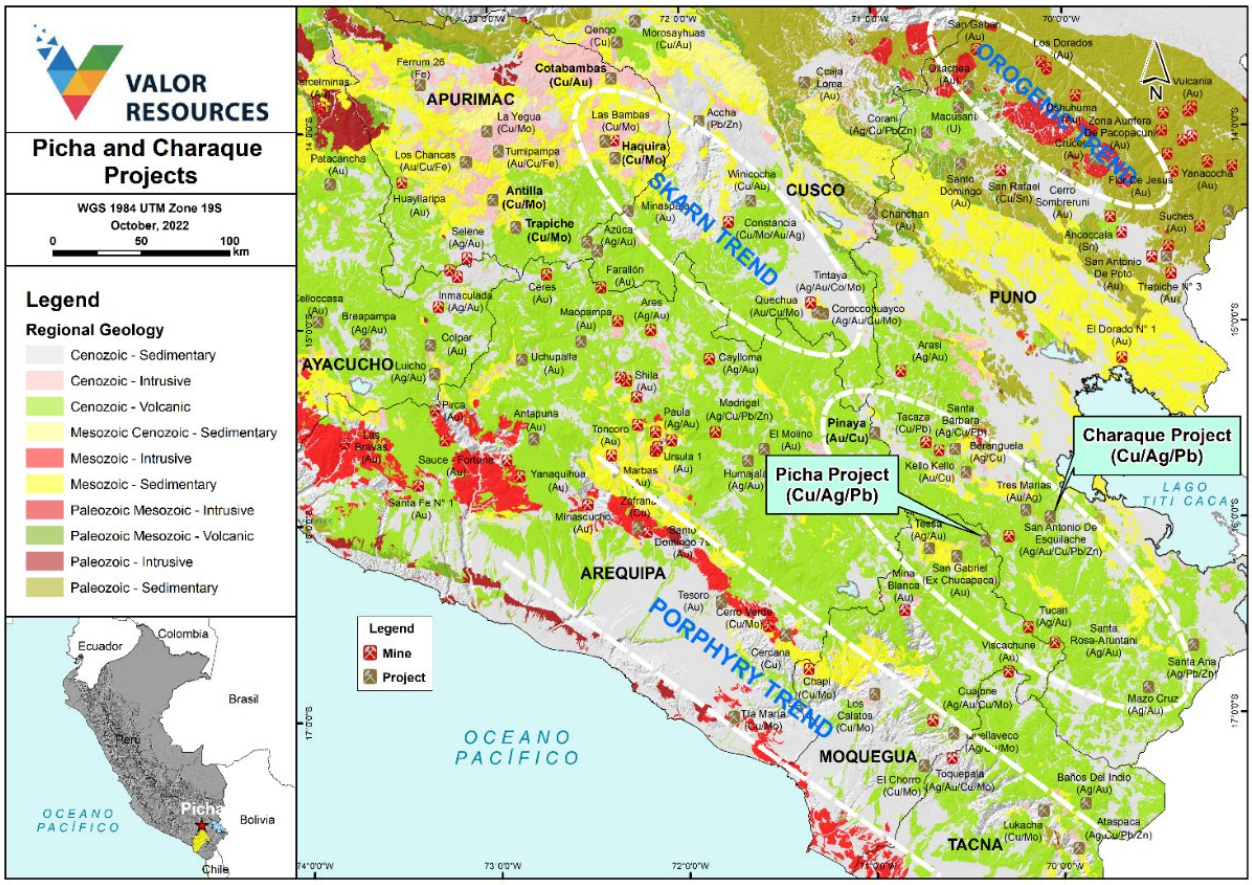



*Figure 14: Regional location of the Picha Project*

## PICHA PROJECT

The Picha Project is located in the Moquegua and Puno Departments of southern Peru, within a highly prospective porphyry-epithermal copper-gold-silver district which also includes the Berenguela, San Gabriel and San Antonio De Esquilache polymetallic deposits (Figure 14).

The 7.6Moz AuEq Buenaventura SAA (NYSE:BVN)-owned San Gabriel Gold-Copper Project lies just 14km south-east of the Huancune Target within the same northeast-southwest trending mineralised corridor. To the north-west of Picha, along the same regional geological trend, lies the Trapiche, Antilla and Pinaya Porphyry Cu-Mo-Au projects.

## GEOCHEMISTRY

During the quarter, a second program of soil sampling was completed to the east of the Ichucollo target area (see Figure 15). This program was supported by the strong IP results returned at the Ichucollo target which indicate the continuity of the main IP anomaly to the east, as announced on 26th October 2022 (see ASX announcement '*Substantial new IP anomalies confirm additional large-scale porphyry copper potential at Picha Project, Peru*' dated 26th October 2022).

159 soil samples were taken during the soil sampling program, with results due in early 2023.

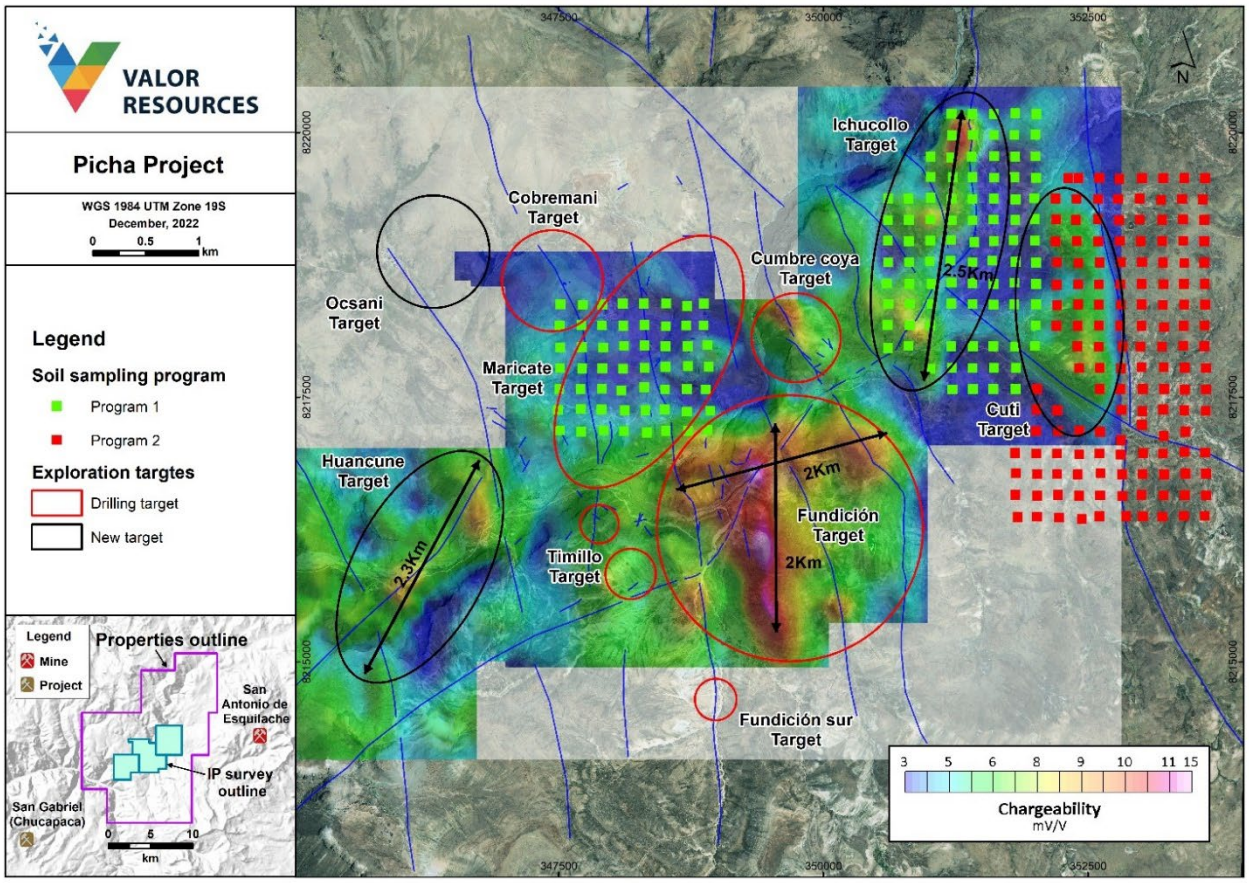



*Figure 15: Picha Project – Geochemistry soil sampling program Map.*

Further chip and channel sampling continued at Picha Project, resulting in the identification of two new targets to the east of the Ichucollo target area, named the Cuti and Fundicion sur targets.. Samples have been collected and submitted to the labs, with results due in the March 2023 quarter.

*Figure 16: Picha Project – Geochemical rock chip sampling.*

## PIMA REPORT

During the December quarter a second PIMA sampling program was conducted with 67 samples taken from the Ichucollo and Fundicion target areas. PIMA is a spectral sampling technique used to identify alteration minerals associated with copper-mineralised systems, and this second round of sampling was conducted to support and extend the spectral target areas identified in the March 2022 PIMA sampling program. In the initial PIMA program, 5 target areas were identified which contained alteration minerals indicative of proximity to a porphyry and/or low sulphidation epithermal system (see ASX announcement '*Spectral Study supports the porphyry potential at Picha Copper Project*' dated 31st March 2022). Results from the second round of PIMA sampling are expected in the March 2023 quarter.

## APPROVALS – DRILLING

See Figure 17 for a location map of all the drill pads (40 pads) that are 100% covered by social agreements as per the requirements of the Peruvian Government.

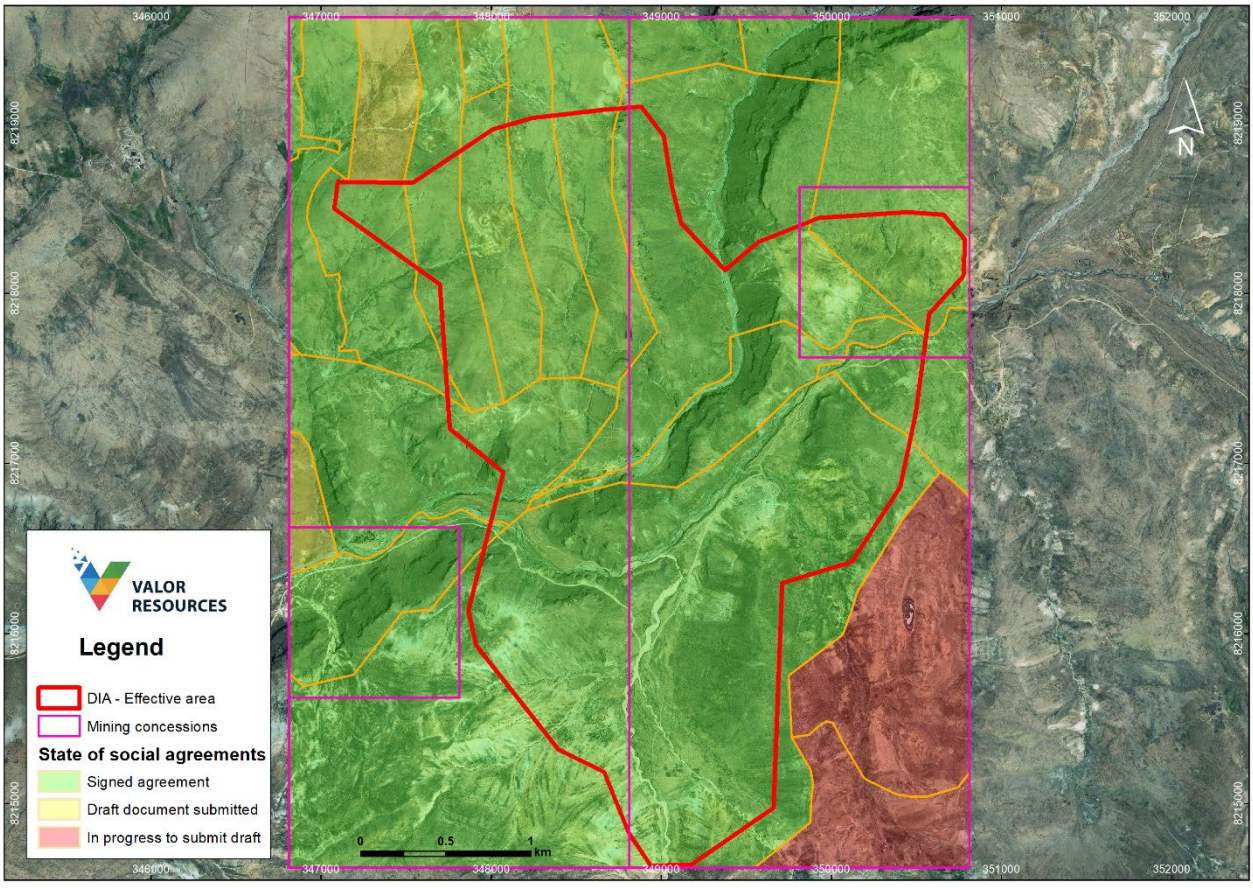



*Figure 17: Picha Project – Map of State of social agreements*

## CHARAQUE PROJECT

## GEOCHEMISTRY

Further chip and channel samples were collected at the Charaque Project, with focus on increasing the area of identified mineralization at the Huallatani target. Samples collected have been submitted to the labs with results due in the March Quarter.

*Figure 18: Charaque Project – Geochemical rock chip sampling.*

## CHRISTMAS CELEBRATIONS

Members of the Valor team in Peru participated in community celebrations for Christmas, sharing chocolates and gifts with members of the local community.

*Figure 19: Picha Project – Christmas Celebration, Gift delivery.*

*Figure 20: Picha Project – Christmas Celebration, Sharing of chocolate.*

| Project Task | Target Date | Description |
|---|---|---|
| Ongoing mapping and surface sampling at Picha Project | Ongoing | Geological mapping and further sampling at Ichucollo and Huancune Targets and other new targets |
| Maiden drilling program at Picha Project | Awaiting Peruvian government approval | Targeting Cumbre Coya, Cobremani, Maricate and Fundicion |
| Ongoing mapping and surface sampling at Charaque Project | Ongoing | Reconnaissance sampling and mapping at Arco and Huallatani targets |

## CORPORATE ACTIVITIES

The Company presented at the Resources Rising Stars Summer Series investor roadshow in Melbourne and Sydney on 30 November and 1 December

During the quarter, the company held its Annual General Meeting on the 30 November 2022. All resolutions put to shareholders were past with Robin Wilson officially joining the Board post ratification by shareholders.

The Board is considering maximising shareholder value and evaluating options to extract greatest value from its diversified portfolio. Options include divesting it Peruvian Copper Project through divestment or transaction.

## SECURITIES ON ISSUE

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

| Securities | Total Issued |
|---|---|
| Fully Paid Ordinary Shares VAL | 3,726,034,790 |
| Unlisted Options @ $0.015 expiry 11/02/2024 | 20,583,333 |
| Unlisted Options @ $0.015 expiry 03/05/2023 | 25,000,000 |
| Unlisted Options @ $0.02 expiry 21/02/2024 | 51,000,000 |
| Vendor Performance Rights | 333,333,333 |
| Directors Performance Rights – Vested | 120,000,000 |
| Directors Performance Rights | 15,000,000 |
| Consultants Performance Rights | 20,000,000 |

During the quarter, there were no changes to the vesting of Performance Rights for Vendors. Each Performance Right for the Vendors will vest, and be convertible into one ordinary share, on the achievement of the following performance milestones and in the following amounts:

166,666,667 performance rights vesting on the achievement of significant mineralised intersections of not less than 10m @ >0.5% $U_3O_8$ or equivalent (e.g. 5m @ > 1.0% $U_3O_8$) within 2 years after completion; and

166,666,666 performance rights vesting on the identification of a mineral resource of at least 10 million pounds $U_3O_8$ at a cut-off grade of 0.5%

There were no other changes to the vesting of Performance Rights for Consultants. The terms of the Consultant Performance Rights are detailed in ASX Announcement dated 30 July 2021 "Issue of Performance Rights Update".

The vested 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.

Excerpts to include in the Quarterly Report:

In accordance with Listing Rule 5.4.5, Valor Resources Ltd advises that payment made to related parties as advised in the Appendix 5B for the quarter ended 31 December 2022 were as follows; 153k for Directors and Consulting fees, 13k for Company Secretary fees,12k for rent and Registered Office fees.

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

For further information, please contact:

| | | |
|---|---|---|
| George Bauk<br>Executive Chairman<br>+61 408 931 746<br>george@totode.com.au | Joe Graziano<br>Company Secretary<br>+61 411 649 551<br>joe@pathwayscorporate.com.au | Media enquiries \| Read Corporate<br>Nicholas Read<br>+61 419 929 046<br>nicholas@readcorporate.com.au |

ASX : VAL

## COMPETENT PERSON STATEMENT

The information in this documents that relates to Exploration Results is based on information compiled by Mr Robin Wilson who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a consultant and Technical Director for Valor Resources and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Wilson consents to the inclusion of this information in the form and context in which it appears.

Ends - - - - - - - - -

# ABOUT VALOR RESOURCES

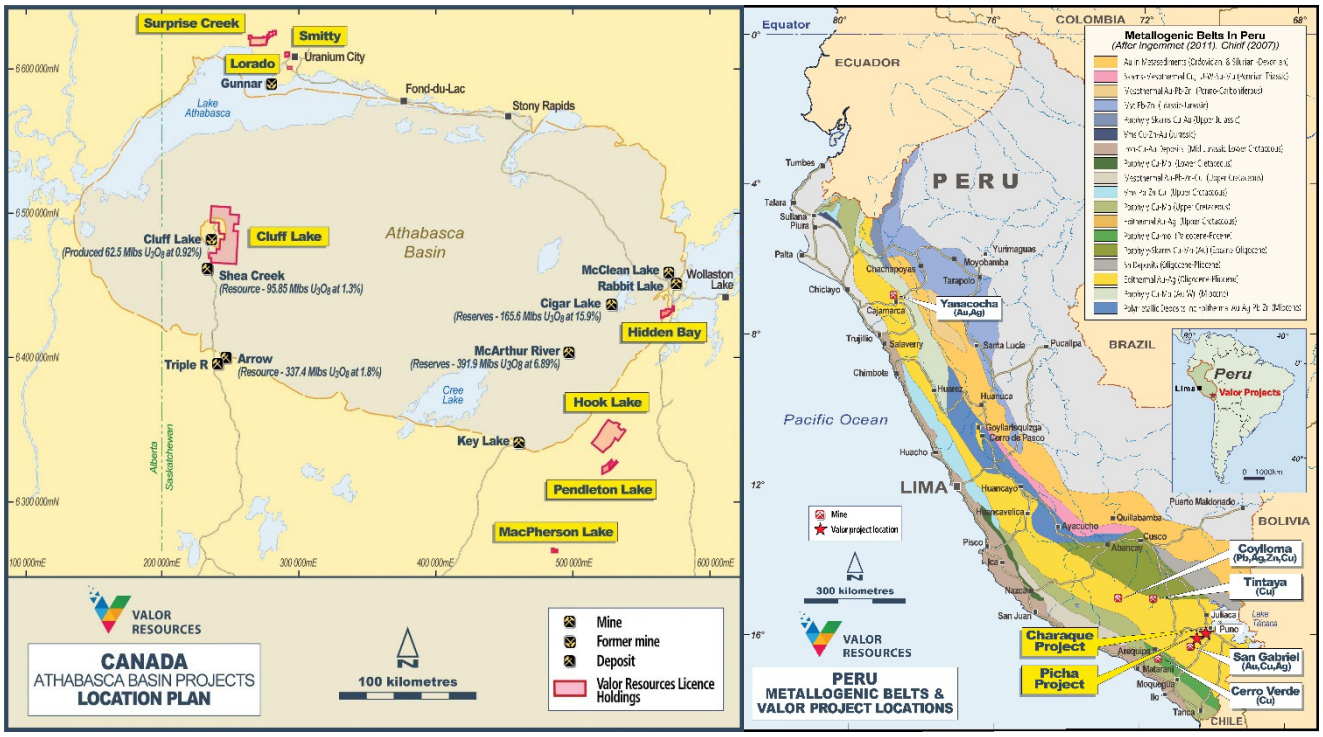
Valor Resources Limited (ASX:VAL) ("Valor" or "the Company") is an exploration company dedicated to creating shareholder value through acquisitions and exploration activities. The Company is focused on two key commodities, copper and uranium, as outlined below, in Peru and Canada.

Valor's 100% owned Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha Project located in the Moquegua and Puno Departments of Peru, 17 km ENE of the San Gabriel Project (former Chucapaca – Buenaventura SAA (NYSE:BVN)) gold deposit, located in the Puno Department of Peru. The Picha Project is a copper-silver exploration project comprising of twenty granted mining concessions for a total of 16,500 hectares (165 km$^2$), as well as an additional 6,500 hectares (65 km$^2$) staked and currently awaiting title as mining concessions.

In addition to the above, Kiwanda SAC has staked 8 claims covering 6,000 hectares in the Puno Region, 30km northeast of the Picha Project, which make up the Charaque exploration project.

Valor is also the 100% owner of the following interests in Canada:

- 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 (258 km$^2$), the 16 contiguous mineral claims host several prospective areas of uranium mineralisation; and
- 100% equity interest in 19 contiguous mineral claims covering 57,499 hectares (575 km$^2$) in northern Saskatchewan, known as the Cluff Lake Uranium Project. 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; and
- Six additional projects within the Athabasca Basin with 100% equity interest in 17 mineral claims covering 16,312 hectares at the Hidden Bay Project, Surprise Creek Project, Pendleton Lake Project, MacPherson Lake Project, Smitty Project and Lorado Project.



## APPENDIX

**Interests in Mining Tenements Held (ASX Listing Rule 5.3.3)**

| Project | Concession Name | Tenement | Location | Ownership at beginning of quarter | Ownership at end of quarter | Acquired During the Quarter | Disposed of During the Quarter |
|---|---|---|---|---|---|---|---|
| Picha | Picha 2 | 01-03853-05 | Peru | 100% | 100% | - | - |
| | Picha 3 | 01-03854-05 | | | | | |
| | Picha 7 | 01-00578-07 | | | | | |
| | Leon 3 | 01-04638-08 | | | | | |
| | Picha 01-21 | 01-01163-21 | | | | | |
| | Picha 02-21 | 01-01164-21 | | | | | |
| | Picha 03-21 | 01-01165-21 | | | | | |
| | Picha 04-21 | 01-01166-21 | | | | | |
| | Picha 05-21 | 01-01166-21 | | | | | |
| | Picha 06-21 | 01-01168-21 | | | | | |
| | Picha 07-21 | 01-01169-21 | | | | | |
| | Picha 08-21 | 01-01170-21 | | | | | |
| | Picha 09-21 | 01-01171-21 | | | | | |
| | Picha 10-21 | 01-01172-21 | | | | | |
| | Picha 11-21 | 01-01173-21 | | | | | |
| | Picha 12-21 | 01-01174-21 | | | | | |
| | Picha 13-21 | 01-01175-21 | | | | | |
| | Picha 14-21 | 01-01176-21 | | | | | |
| | TA1 | 01-01161-21 | | | | | |
| | TA2 | 01-01162-21 | | | | | |
| Cluff Lake | Cluff Lake 1 | MC00014073 | Canada | 100% | 100% | - | - |
| | Cluff Lake 2 | MC00014074 | | | | | |
| | Cluff Lake 3 | MC00014075 | | | | | |
| | Cluff Lake 4 | MC00014076 | | | | | |
| | Cluff Lake 5 | MC00014077 | | | | | |
| | Cluff Lake 6 | MC00014078 | | | | | |
| | Cluff Lake 7 | MC00014079 | | | | | |
| | Cluff Lake 8 | MC00014080 | | | | | |
| | Cluff Lake 9 | MC00014081 | | | | | |
| | Cluff Lake 11 | MC00014083 | | | | | |
| | Cluff Lake 12 | MC00014084 | | | | | |
| | Cluff Lake 13 | MC00014085 | | | | | |
| | Cluff Lake 15 | MC00014087 | | | | | |
| | Cluff Lake 16 | MC00014088 | | | | | |
| | Cluff Lake 17 | MC00014089 | | | | | |
| | Cluff Lake 19 | MC00014096 | | | | | |
| | Cluff Lake 10 | MC00014082 | Canada | 100% | 0% | | 100% |
| | Cluff Lake 14 | MC00014086 | | | | | |
| | Cluff Lake 18 | MC00014090 | | | | | |
| Hook Lake | Hook Lake 1 | S-110197 | Canada | Right to Earn 80% | Right to Earn 80% | | - |
| | Hook Lake 2 | S-110198 | | | | | |
| | Hook Lake 3 | MC00011055 | | | | | |
| | Hook Lake 4 | MC00012406 | | | | | |
| | Hook Lake 5 | MC00013238 | | | | | |
| | Hook Lake 6 | MC00013241 | | | | | |
| | Hook Lake 7 | MC00013242 | | | | | |
| | Hook Lake 8 | MC00013243 | | | | | |
| | Hook Lake 9 | MC00013244 | | | | | |
| | Hook Lake 10 | MC00013246 | | | | | |
| | Hook Lake 11 | MC00013248 | | | | | |
| | Hook Lake 12 | MC00013250 | | | | | |
| | Hook Lake 13 | MC00013253 | | | | | |
| | Hook Lake 14 | MC00013425 | | | | | |

| Project | Concession Name | Tenement | Location | Ownership at beginning of quarter | Ownership at end of quarter | Acquired During the Quarter | Disposed of During the Quarter |
|---|---|---|---|---|---|---|---|
| | Hook Lake 15<br>Hook Lake 16 | MC00013594<br>MC00013606 | | | | | |
| Pendleton Lake | Pendleton Lake 3<br>Pendleton Lake 4<br>Pendleton Lake 5<br>Pendleton Lake 6 | MC00013610<br>MC00013616<br>MC00014442<br>MC00014443 | Canada | 100% | 100% | | - |
| MacPhersons Lake | Pendleton Lake 1<br>Pendleton Lake 2 | MC00013454<br>MC00013494 | Canada | 100% | 100% | | |
| Lorado Project | Lorado 1 | MC00014091 | Canada | 100% | 100% | | - |
| Smitty Project | Smitty 1 | MC00014092 | Canada | 100% | 100% | | - |
| Hidden Bay | Hidden Bay 1 | MC00014093 | Canada | 100% | 100% | | - |
| Surprise Creek | Surprise Creek 1<br>Surprise Creek 2<br>Surprise Creek 3<br>Surprise Creek 4 | MC00014936<br>MC00014937<br>MC00014938<br>MC00015946 | Canada | 100% | 100% | | - |
| | Surprise Creek 5 | MC00016265 | Canada | 0% | 100% | 100% | |

**Ends - - - - - - - - -**

# Appendix 5B

# Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Name of entity | |
|---|---|
| VALOR RESOURCES LIMITED | |
| **ABN** | **Quarter ended ("current quarter")** |
| 88 076 390 451 | 31 December 2022 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (6 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | - | - |
| | (e) administration and corporate costs | (225) | (692) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 2 | 3 |
| 1.5 | Interest and other costs of finance paid | (1) | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(224)** | **(689)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (590) | (1,853) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(590)** | **(1,853)** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (4) | (4) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **(4)** | **(4)** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 1,473 | 3,210 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (224) | (689) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (590) | (1,853) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (4) | (4) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | 1 | (8) |
| **4.6** | **Cash and cash equivalents at end of period** | **656** | **656** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 656 | 1,473 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **656** | **1,473** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 178 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (224) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (590) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (814) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 656 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 656 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 0.81 |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: It is expected that the operating activities cashflows will be lower than the previous quarter due to weather conditions in Canada with the work focussed on planning and preparation of upcoming exploration program post capital raising. Activities in Peru are also lower than the previous quarter as the company awaits drilling approvals. At the current levels and exploration expenditure cashflows will reduce while the company considers its capital requirements with its corporate advisors.

| | |
|---|---|
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |
| Answer: | The Company monitors its cashflow requirements carefully and is confident that it will be able to source sufficient future funding from equity raises and/or option exercises when further funding is required. The Company is considering the capital raising alternatives available to it and will advise the market at the appropriate time. |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: | Yes. The Company's cash balance is sufficient to meet the Company's planned cashflow requirements. |

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.