VALOR RESOURCES

ABN 88 076 390 451

Half-year Financial Report

31 December 2022

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CORPORATE DIRECTORY

Directors
Mr. George Bauk (Executive Chairman)
Mr. Gary Billingsley (Non-Executive Director)
Mr. Robin Wilson (Technical Director) – appointed 6 October 2022

Company Secretary
Mr. Joe Graziano – appointed 19 August 2022

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Auditors
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Level 9, Mia Yellagonga Tower 2
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PERTH, WA 6000

Stock Exchange
Australian Securities Exchange Limited
(Home Exchange: Perth, WA)
ASX Code: VAL

DIRECTORS' REPORT

The Directors of Valor Resources Limited ('the Company' or 'Valor') submit the financial report of the consolidated entity ('the Group') for the half-year ended 31 December 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

Directors

The names of persons who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr George Bauk	Executive Chairman
Mr Gary Billingsley	Non-Executive Director
Mr Robin Wilson	Technical Director – appointed 6 October 2022
Mr Brian McMaster	Non-Executive Director – resigned 6 October 2022
Ms Paula Smith	Non-Executive Director – resigned 19 August 2022

Results

The loss after tax for the half year ended 31 December 2022 was $1,118,833 (2021: $1,560,217).

Dividends

No dividend was paid or declared by the Company during the half-year and up to the date of this report (2021: Nil).

Nature of Operations and Principal Activities

The principal activities of companies within the Group during the half-year were mineral exploration and examination of new resource opportunities.

Review of Operations

Valor has focused on its portfolio of uranium properties in Canada and the Picha Copper Project located in Peru.

In Canada, the Company is the 100% owner of 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. It also owns a 100% equity interest in 19 contiguous mineral claims covering 57,499 hectares in northern Saskatchewan, referred to as the Cluff Lake Uranium Project. The Cluff Lake Project 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. The Hidden Bay Uranium Project comprises one mineral claim of 3,190 hectares located 20km southeast of the historical Rabbit Lake Uranium mine. There are five additional projects within or close to the Athabasca Basin with 100% equity interest in 16 mineral claims covering 13,121 hectares at the Surprise Creek Project, Pendleton Lake Project, MacPherson Lake Project, Smitty Uranium Project and the Lorado Uranium Project.

Valor's 100% owned Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha and Charaque Projects located in the Puno and Moquegua Departments of Peru, 17km ENE of the Buenaventura (NYSE:BVN) owned San Gabriel gold-copper deposit. The Picha and Charaque projects comprise twenty granted mining concessions for a total of 16,500 hectares (165km^2) as well as another 15 mining concessions under application and awaiting title which cover a total of 12,500 hectares (125km^2).

Canadian Uranium – Athabasca Basin:

In Canada, the Company's primary focus has been on the Cluff Lake, Hidden Bay, Hook Lake and Surprise Creek Projects. Work completed at each Project is as follows:

- Hidden Bay (reported in ASX announcements dated 9th August 2022 and 17th November 2022):
  - Review and interpretation of airborne gravity data from a survey completed in June identified six priority targets. All targets are located proximal to identified structural features with five of the targets identified close to the regional Athabasca unconformity that is identified as a primary control on uranium mineralisation.
  - A radon-in-soil survey was completed in September with radon anomalies partly co-incident with the gravity targets.
  - Follow-up field program and further radon surveys proposed, with drilling planned for 2023.
- Surprise Creek (reported in ASX announcements dated 13th October 2022, 22nd November 2022 and 22nd December 2022):
  - Rock chip sampling and reconnaissance geological mapping was completed in July with a follow-up program in October.

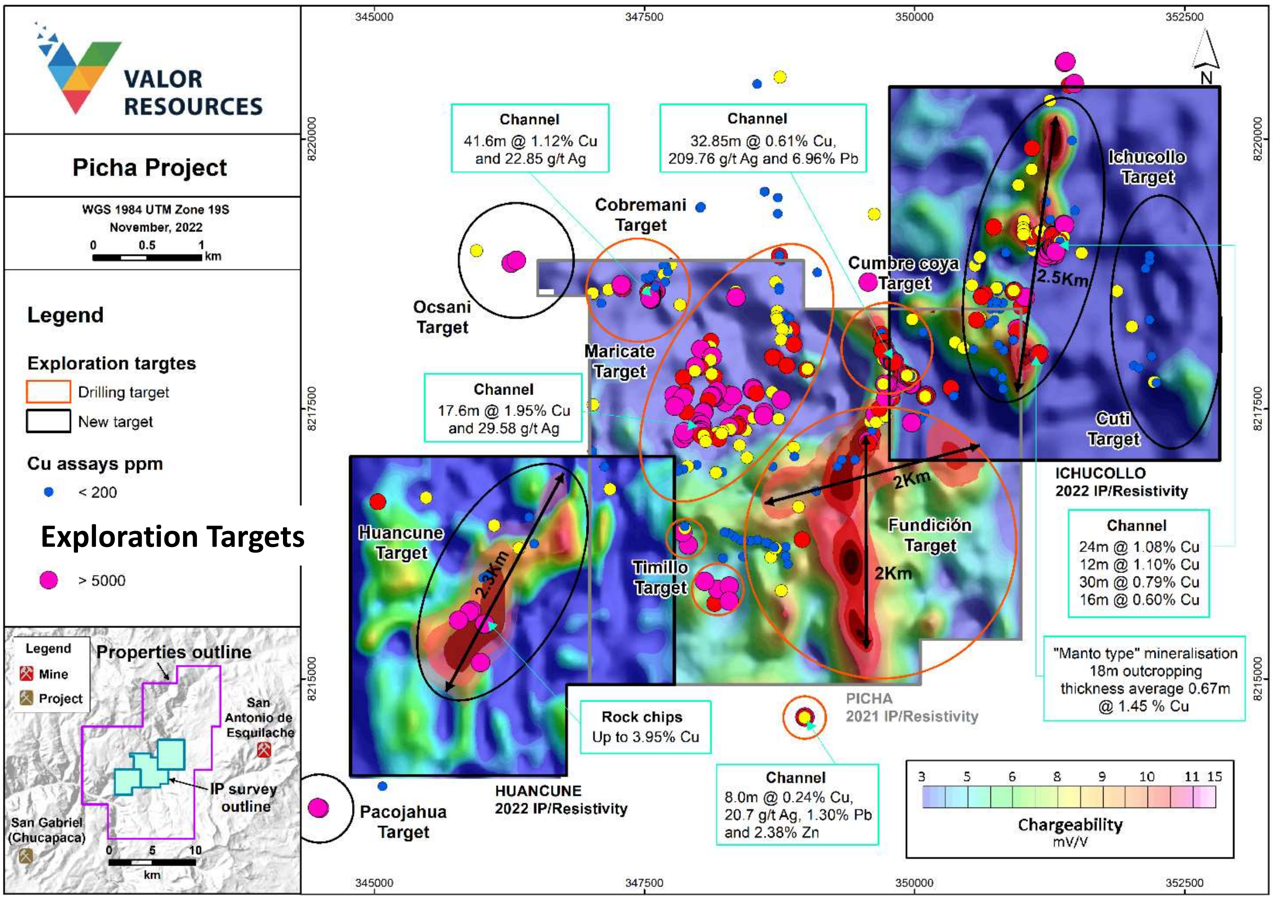
- An area of surface uranium mineralisation has been identified at Surprise Creek over a strike length of around 500m at the Surprise Creek Fault target, based on results received from the field programs completed in July and October.
- Several surface samples returned assays above 1% U_3O_8 with associated 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
- Geological mapping has confirmed the proximity of uranium mineralisation to an unconformity and a spatial association with the north-south trending Surprise Creek Fault, highlighting strong geological similarities with significant uranium deposits in the Beaverlodge Uranium District such as Fay-Ace and Gunnar.
- Samples were also taken from a widespread area of copper mineralisation discovered in the western half of the project area, with several samples returning assays of between 0.4% Cu and 1% Cu and up to 61.7% Cu.
- As a result of the identification of copper mineralisation, the project area was expanded to the west with three new mineral claims covering an area of nearly 44km^2 staked, covering three historical copper showings – Bob Lake, Ellis Bay and Waterloo.

- Hook Lake (reported in ASX announcement dated 21st September 2022):
  - Eleven new targets were identified from an airborne gravity gradiometry survey completed earlier in the year. On-ground checking of some of these targets was completed in August.
  - Final assay results were received for the Hook Lake diamond drilling from earlier in the year. Anomalous results were received for three of the six holes drilled at the S-Zone prospect, with the best result in DDHL22-002 with 2.5m from 105.5m @ 160ppm U_3O_8.
- Cluff Lake (reported in ASX announcement dated 8th February 2023):
  - Following on from the airborne gravity survey completed in June 2022, four priority targets were identified at the Cluff Lake Uranium Project. The target identification process included a comprehensive review of all available historical exploration data.
  - Two of the targets are located at the Moose Lake prospect which are prioritised for drill testing. Exceptionally high-grade rare earth element (REE) assays of up to 9.15% TREO were returned from on-ground field checking of targets and surface sampling of historic trenches at the Moose Lake prospect.

Peruvian Copper Silver:

The Company has completed extensive on-ground exploration at the Picha Project in Peru in the last 6 months including:

- Further rock chip and channel sampling which has confirmed Ichucollo as a priority drill target, with channel sample results of 24m @ 1.08 % Cu and 3.9g/t Ag and 13.1m @ 1.38 % Cu and 10.22g/t Ag including 6m @ 2.40% Cu and 20.21g/t Ag.
- Sampling at the Maricate, Cumbre Coya and Fundición prospects which has further enhanced the prospectivity of these targets with channel samples of:
  - Maricate: 2.0m @ 1.18% Cu and 13.9g/t Ag; 6m @ 1.55% Cu and 13.8g/t Ag; 4.0m @ 2.15% Cu and 84.5g/t Ag; 2.0m @ 3.39% Cu and 56g/t Ag; 2.0m @ 1.27% Cu and 57g/t Ag;
  - Cumbre Coya: 2m @ 1.15% Cu and 11.6g/t Ag; 2m @ 1.51% Cu and 20.4g/t Ag; and
  - Fundición: 2m @ 0.91% Cu and 9.67g/t Ag.
- New targets discovered at the Cuti and Fundición South prospects, following the latest phase of surface sampling.
  - New target at Cuti highlighted by outcropping volcanic breccia with channel sample results of 6m @ 0.66% Cu and 4.66 g/t Ag
  - Soil sampling at Cuti has also highlighted a significant geochemical gold anomaly.
  - New target confirmed south of Fundición with channel samples of up to 2m @ 3.31% Pb, 38.9g/t Ag and 0.32 % Cu and 0.2m @ 7.09% Pb,18.36% Zn and 13.9g/t Ag. (All results listed above were reported in the ASX announcement dated 14th February 2023)
- An IP (Induced Polarisation)/Resistivity survey was completed at the Picha Project in September (reported in ASX announcement dated 26th October 2022). Large IP chargeability anomalies were identified at both the Ichucollo Target and Huancune Target, adding further to the cluster of coincident geophysical/geochemical targets already delineated. Combined strike length of the Ichucollo and Huancune IP anomalies and the existing IP anomaly identified in the 2021 IP survey, is over 6km. The IP anomalies at both Ichucollo and Huancune are coincident with significant surface copper mineralisation.
- Picha Project has increased in size from 200km^2 to 230km^2 following the identification of further targets to the northeast and east of the existing concessions.



The Company has also commenced early-stage exploration on the Charaque Project in Peru. Reconnaissance exploration at the Charaque Project has confirmed the potential of this area, with anomalous assay results returned from two target areas – Arco and Huallatani.

Corporate:

During the 2022 Half-Year, the Company announced a change in Company Secretary whereby Mr Joe Graziano would be appointed and Ms Paula Smith resigned from the position along with ceasing to be a Non-executive Director. Furthermore, Mr Robin Wilson was appointed to the position of Technical Director and Mr Brian McMaster resigned as a Non-executive Director.

On 18 October 2022, the Company issued 67,500,000 fully paid ordinary shares upon the conversion of Director Performance Rights whereby the attached milestones had vested in the prior period.

On 29 November 2022, the Company announced that all resolutions put forward at the AGM passed successfully.

Competent Person's Statement

The information in this report 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.

The Company confirms that it is not aware of any new information or data that materially affects the information reported in the original market announcements and that all material assumptions and technical parameters underpinning the results in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Subsequent Events

On 15 February 2023, the Company announced the lapse of 174,166,667 unlisted performance rights as the conditions were not met, or incapable of being satisfied and also due to the cessation of employment.

On 16 February 2023, the Company announced it had entered into a binding agreement for the acquisition of 1388068 B.C. Ltd, the holder to the right of two claims perspective for copper and uranium. On 20 February 2023, the Company issued 40,000,000 ordinary shares at an issue price of $0.005 and upon settlement a further 10,000,000 deferred consideration shares and a payment of US$10,000 in cash will be made to the vendors for 100% of the issued capital of 1388068 B.C. Ltd, the owners of the two tenements. 7,000,000 ordinary shares were also issued for consulting services provided in lieu of cash consideration.

On 20 February 2023, the Company issued 70,000,000 performance rights to directors, employees and consultants as approved by shareholders at the AGM on 29 November 2022 and under the company's long term incentive plan.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

George Bauk
Executive Chairman
Perth, Western Australia
15 March 2023

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF VALOR RESOURCES LIMITED

As lead auditor for the review of Valor Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Valor Resources Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

15 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2022

	Note	31 December 2022 $	31 December 2021 $
Continuing Operations			
Interest received		3,690	37
Other income		-	146,841
Expenses			
Listing and share registry expenses		(35,709)	(53,514)
Legal fees		(67,534)	(115,332)
Consultants and directors' fees		(333,091)	(345,107)
Travel and accommodation		(108,614)	(23,422)
Depreciation		(544)	-
Foreign exchange gain/(loss)		(9,338)	44,567
Share based payment expense	9	(399,792)	(1,014,606)
Salaries and wages		(14,767)	-
Other expenses		(152,414)	(150,093)
Loss from continuing operations before income tax and finance costs		**(1,118,113)**	**(1,510,629)**
Finance costs		(720)	(13,204)
Loss from continuing operations after income tax		**(1,118,833)**	**(1,523,833)**
Income tax expense		-	(36,384)
Loss for the half-year		**(1,118,833)**	**(1,560,217)**
Other comprehensive income			
Items that will be Reclassified to Profit or Loss			
Foreign currency translation difference		(505,658)	(123,870)
Other comprehensive income for the half-year, net of tax		(505,658)	(123,870)
Total comprehensive income for the half-year		**(1,624,491)**	**(1,684,087)**
Loss for the period attributable to:			
Owners of Valor Resources Limited		(1,118,833)	(1,560,217)
		(1,118,833)	**(1,560,217)**
Comprehensive loss for the period attributable to:			
Owners of Valor Resources Limited		(1,624,491)	(1,684,087)
		(1,624,491)	**(1,684,087)**
Loss per share attributable to owners of Valor Resources Limited			
Basic and diluted loss per share (cents per share)		(0.030)	(0.066)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position *as at 31 December 2022*

	Note	31 December 2022 $	30 June 2022 $
Current Assets			
Cash and cash equivalents	4	655,547	3,210,257
Trade and other receivables		201,151	327,979
Other current assets		161,541	173,153
Total Current Assets		**1,018,239**	**3,711,389**
Non-Current Assets			
Property, plant and equipment		2,359	2,903
Deferred exploration and evaluation expenditure	5	13,424,802	12,041,627
Total Non-Current Assets		**13,427,161**	**12,044,530**
Total Assets		**14,445,400**	**15,755,919**
Current Liabilities			
Trade and other payables	6	306,216	521,173
Total Current Liabilities		**306,216**	**521,173**
Non-Current Liabilities			
Other payables	6	189,602	196,990
Deferred tax liabilities	7	1,462,641	1,322,471
Total Non-Current Liabilities		**1,652,243**	**1,519,461**
Total Liabilities		**1,958,459**	**2,040,634**
Net Assets		**12,486,941**	**13,715,285**
Equity			
Issued Capital	8	67,321,779	66,852,924
Reserves		20,386,031	20,964,397
Accumulated losses		(75,220,869)	(74,102,036)
Total Equity		**12,486,941**	**13,715,285**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows *for the half-year ended 31 December 2022*

	31 December 2022 $	31 December 2021 $
Cash flows from operating activities		
Payments to suppliers and employees	(634,892)	(461,338)
Interest received	3,690	37
Interest paid	(720)	(13,204)
Net cash outflow from operating activities	**(631,922)**	**(474,505)**
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,852,612)	(860,734)
Payment to acquire investment	-	(3,787)
Net cash outflow from investing activities	**(1,852,612)**	**(864,521)**
Cash flows from financing activities		
Proceeds from share issues	-	5,454,942
Proceeds from exercise of options	-	1,255,115
Payments for share issue costs	(3,645)	(358,685)
Net cash inflow/(outflow) from financing activities	**(3,645)**	**6,351,372**
Net increase/(decrease) in cash held	(2,488,179)	5,012,345
Cash and cash equivalents at beginning of period	3,210,257	557,839
Net foreign exchange differences	(66,531)	54,111
Cash and cash equivalents at the end of the period	**655,547**	**5,624,295**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity *for the half-year ended 31 December 2022*

	Issued Capital $	Accumulated Losses $	Option Reserves $	Foreign Exchange Reserves $	Share Based Payments Reserve $	Performance Shares Reserve $	Total $
Balance at 1 July 2021	**57,390,563**	**(70,430,452)**	**6,421,009**	**235,927**	**11,712,193**	**1,193,399**	**6,522,639**
Loss for the half-year	-	(1,560,217)	-	-	-	-	(1,560,217)
Other comprehensive income							
Foreign currency translation	-	-	-	(123,870)	-	-	(123,870)
Total comprehensive income for the half-year	-	(1,560,217)	-	(123,870)	-	-	(1,684,087)
Transactions with owners in their capacity as owners							
Shares issued as part of acquisition	50,000	-	-	-	-	-	50,000
Shares issued for services received	187,500	-	-	-	-	93,750	281,250
Shares issued as part of placement	5,454,942	-	-	-	-	-	5,454,942
Share issue costs	(358,685)	-	-	-	-	-	(358,685)
Flow through share premium	(350,951)	-	-	-	-	-	(350,951)
Issue of options	-	-	827,107	-	-	-	827,107
Shares Issued on exercise of options	1,245,215	-	-	-	-	-	1,245,215
Balance at 31 December 2021	**63,618,584**	**(71,990,669)**	**7,248,116**	**112,057**	**11,712,193**	**1,287,149**	**11,987,430**
Balance at 1 July 2022	**66,852,924**	**(74,102,036)**	**7,253,215**	**498,840**	**11,712,193**	**1,500,149**	**13,715,285**
Loss for the half-year	-	(1,118,833)	-	-	-	-	(1,118,833)
Other comprehensive income							
Foreign currency translation	-	-	-	(505,658)	-	-	(505,658)
Total comprehensive income for the half-year	-	(1,118,833)	-	(505,658)	-	-	(1,624,491)
Transactions with owners in their capacity as owners							
Share issue costs	(3,645)	-	-	-	-	-	(3,645)
Shares Issued on conversion of performance rights	472,500	-	-	-	-	(472,500)	-
Cancellation of performance rights	-	-	-	-	-	(105,000)	(105,000)
Issue of options	-	-	105,292	-	-	-	105,292
Issue of performance rights	-	-	-	-	-	399,500	399,500
Balance at 31 December 2022	**67,321,779**	**(75,220,869)**	**7,358,507**	**(6,818)**	**11,712,193**	**1,322,149**	**12,486,941**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The consolidated financial statements of Valor Resources Limited ('the Group') for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 15 March 2023.

Valor Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These interim general purpose financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Valor Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies are consistent with those disclosed in the 30 June 2022 financial statements and the comparative half-year period except for the impact of new or amended standards and interpretations effective 1 July 2022. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies.

New accounting standards and interpretations not yet adopted

In the half-year ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current reporting period. The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2022. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group accounting policies.

Going concern

For the half-year ended 31 December 2022 the Group recorded a loss before tax of $1,118,833 (2021: $1,560,217) and had net cash outflows from operating and investing activities of $2,484,534 (2021: $1,339,026). These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to continue as a going concern is dependent on securing additional funding and/or from asset sales in order for the Group to continue to fund its operational activities.

The half-year financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- Management have considered the future capital requirements of the entity and will consider all funding options as required;
- The level of the Group's expenditure can be managed;
- Related parties have provided confirmation that they do not intend to seek payment of debts until such time as the Group is in a financial position to do so or a restructure is undertaken that provides for payments owing;
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.

The Board and Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the half-year financial report. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(b) Significant accounting judgments and key estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. SEGMENT REPORTING

	Australia $	Peru $	Canada $	Consolidated $
		Continuing operations		
31 December 2022				
Segment revenue	3,690	-	-	3,690
Segment loss before income tax expense	(1,048,136)	(85,303)	(153,938)	(1,287,377)
31 December 2022				
Segment assets	**511,671**	**2,476,449**	**11,457,280**	**14,445,400**
Segment liabilities	**82,795**	**27,775**	**1,847,889**	**1,958,459**
Additions to non-current Assets	**-**	**542,801**	**1,225,906**	**1,768,707**

	Australia $	Peru $	Canada $	Consolidated $
		Continuing operations		
31 December 2021				
Segment revenue	-	37	146,841	146,878
Segment profit before income tax expense	(1,429,750)	(82,681)	(11,402)	(1,523,833)
30 June 2022				
Segment assets	**2,177,499**	**1,886,596**	**11,691,824**	**15,755,919**
Segment liabilities	**190,843**	**53,251**	**1,796,540**	**2,040,634**
Additions to non-current Assets	**3,266**	**758,521**	**4,613,491**	**5,375,278**

4. CASH AND CASH EQUIVALENTS

	December 2022 $	June 2022 $
Cash comprises of:		
Cash at bank	655,547	2,135,538
Restricted cash[1]	-	1,074,719
Closing balance	**655,547**	**3,210,257**

[1] Restricted cash can only be spent on eligible expenditure on the Canadian uranium projects.

5. DEFERRED EXPLORATION & EVALUATION EXPENDITURE

	December 2022 $	June 2022 $
Opening balance	12,041,627	6,429,897
Exploration expenditure incurred during the period	1,768,707	5,316,606
Acquisition of Pendleton Lake Project	-	55,407
Impairment of Corona Project	-	(60,395)
Net exchange differences on translation	(385,532)	300,113
Closing balance	**13,424,802**	**12,041,627**

6. TRADE AND OTHER PAYABLES

	December 2022 $	June 2022 $
Current		
Trade creditors & other payables	66,416	243,851
Deferred consideration liability	189,602	196,990
Accruals - other	50,198	80,332
Closing balance	**306,216**	**521,173**

	December 2022 $	June 2022 $
Non-current		
Deferred consideration liability	189,602	196,990
Closing balance	**189,602**	**196,990**

7. DEFERRRED TAX LIABILITIES

	December 2022 $	June 2022 $
Deferred tax liabilities	1,462,641	1,322,471
	1,462,641	**1,322,471**

Deferred tax liabilities arise due to the Company conducting a flow-through share agreement in the prior period. Under Canadian tax law, this agreement transfers the tax deductibility of qualifying resource exploration and evaluation expenditure to investors. A deferred tax liability is recognized for the amount of the tax reduction to be renounced to shareholders.

8. ISSUED CAPITAL

	December 2022 $	June 2022 $
(a) Issued and paid up capital		
Ordinary shares fully paid	**67,321,779**	**66,852,924**

	December 2022		June 2022	
(b) Movements in shares on issue	Number of shares	$	Number of shares	$
Opening balance	3,658,534,790	66,852,924	2,893,831,418	57,390,563
Shares issued as part of placement – flow-through shares[1]	-	-	319,002,466	5,454,942
Shares issued as part of placements	-	-	309,090,090	3,399,991
Exercise of options	-	-	111,674,332	1,255,115
Conversion of performance rights[2]	67,500,000	472,500	-	-
Shares issued as part of acquisitions[3]	-	-	5,000,000	50,000
Shares issued for services received[4]	-	-	19,936,484	259,000
Share issue costs	-	(3,645)	-	(605,736)
Flow-through share premium	-	-	-	(350,951)
Closing balance	**3,726,034,790**	**67,321,779**	**3,658,534,790**	**66,852,924**

[1] Valor completed the Canadian flow through share scheme placement on 24 November 2021 by issuing to investors a total of 319,002,466 fully paid ordinary Valor shares at $0.0171 per share. The proceeds from the placement are to be used to expand and accelerate exploration activities at the Company's Canadian uranium projects.

[2] As announced on 18 October 2022, the Company converted 67,500,000 vested performance rights to ordinary shares for nil consideration to directors Mr George Bauk and Mr Robin Wilson. See note 9 for further details.

[3] As initially announced on 7 July 2021 and completed on 23 July 2021, Valor acquired the 100% ownership of six tenements that comprise the Pendleton Lake Project by issuing the vendors a total of 5,000,000 fully paid ordinary Valor shares. The Pendleton Lake Project is located in Saskatchewan, Canada and comprises of various mineral claims hosting several prospective areas of uranium mineralisation. Valor determined that it could not readily estimate the fair value of the asset acquired on the basis that this was an early stage exploration asset. The transaction was measure by reference to the fair value of the shares issued.

[4] Share based payments were valued at share price on the date of issue as fair value of the asset could not be determined.

8. ISSUED CAPITAL (CONTINUED)

(c) Performance Rights

As at 31 December 2022, there were 556,333,333 performance rights held. Details are as follows:

	Director Performance Rights	Vendor Performance Rights	Consultant & Employee Performance Rights
Balance at 1 July 2022	195,000,000	333,333,333	40,000,000
Issued during the period[1]	60,000,000	-	8,000,000
Converted during the period[2]	(60,000,000)	-	(7,500,000)
Expired during the period[3]	-	-	(12,500,000)
Balance at as at 31 December 2022	195,000,000	333,333,333	28,000,000

[1] 60,000,000 director performance rights and 8,000,000 consultant performance rights approved at the Company's AGM on 29 November 2022 were issued on 20 February 2023. See note 9 for further details.

[2] 60,000,000 director performance rights and 7,500,000 consultant performance rights converted to fully paid ordinary shares per ASX announcement on 18 October 2022. Subsequent to the half-year end, 7,500,000 lapsed on 15 February 2023. See note 9 for further details.

[3] Per ASX announcements on 9 August 2022, 12,500,000 lapsed and on 18 October 2022. See note 9 for details.

9. SHARE BASED PAYMENTS

(a) Recognised share based payment transactions

Share based payment transactions recognised as operation expenses in the statement of profit or loss and other comprehensive income or exploration expenditure on the statement of financial position during the half-year were as follows:

	December 2022	December 2021
Operating expenditure	**$**	**$**
Share based payments to consultants – options – refer to (b)	105,292	827,106
Share based payments to consultants – shares	-	187,500
Share based payments to directors – performance rights - refer to (c)	247,500	-
Share based payments to company secretary – performance rights - refer to (c)	47,000	-
	399,792	**1,014,606**

	December 2022	December 2021
Exploration expenditure	**$**	**$**
Share based payments for transaction costs of acquisition	-	50,000
Total	-	**50,000**

(b) Share based payments to consultants

On 30 July 2021, the Company announced that it had issued 40,000,000 Performance Rights to consultants which will vest, and be convertible into shares, on the achievement of the following milestones:

Milestone One – Within twelve months of the date of issue of the Performance Rights:

(a) Tranche 1 of 7,500,000 performance shares on completion of more than 1,500m drilling in Peru or Canada; and trading in VAL achieves a 20-day VWAP of $0.015 after three months of continuous service to the Company (Vested & Converted)

(b) Tranche 2 of 12,500,000 performance shares on completion of more than 1,500m drilling in Peru; and trading in VAL achieves a 20-day VWAP of $0.015 after three months of continuous service to the Company (Lapsed)

Milestone Two – Within two years of the date of issue of the Performance Rights:

(a) Tranche 3 of 7,500,000 performance shares on achieving significant mineralised intersections of not less than 10m @ >0.5% U3O8 or equivalent (e.g. 5m @ > 1.0% U3O8) OR achieving significant mineralised intersections of not less than 10m @ >1% Cu or equivalent (e.g. 5m @ > 2% Cu); and trading in VAL achieves a 20-day VWAP of $0.025 after three months of continuous service to the Company (Unvested)

(b) Tranche 4 of 12,500,000 performance shares on achieving significant mineralised intersections of not less than 10m @ >1% Cu or equivalent (e.g. 5m @ > 2% Cu); and trading in VAL achieves a 20-day VWAP of $0.025 after three months of continuous service to the Company. (Unvested)

9. SHARE BASED PAYMENTS (CONTINUED)

(b) Share based payments to consultants (continued)

On 30 July 2022, Milestone 1 Tranche 1 had been achieved and 7,500,000 consultant performance shares vested. On 3 August 2022, the Company announced the lapse of the conditional right to the Milestone 1 Tranche 2 consultant performance rights of 12,500,000 shares as the conditions had not been satisfied. On 18 October 2022, 7,500,000 performance rights were converted into ordinary fully paid shares.

At the date of this report, no further Performance Rights had vested.

On 28 November 2022, at the Company's AGM, shareholders approved the issuance of 51,000,000 unlisted options with an exercise price of $0.02 per share and an expiry of 14 February 2024 to Brokers of the Company for facilitation of capital raising activities. The fair value at the grant date of the options was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option. The fair value of the options was $105,292, which has been recorded in the income statement in the current period.

The model inputs for the options during the half-year ended 31 December 2022 included:

(a) share price at grant date was $0.007;
(b) expected volatility of 130%;
(c) expected dividend yield of nil; and
(d) a risk free interest rate of 3.18%

(c) Share based payments to Directors and Company Secretary

On 19 August 2022, upon Ms Smith resigning as Company Secretary and as Non-executive Director, 7,500,000 Performance Rights lapsed as the cessation of employment condition was not satisfied. During the half-year, the Company recognised a reversal of the expense of $105,000 in the statement of profit or loss.

On 18 October 2022, the Company announced that 60,000,000 Tranche 1 & 2 vested Director Rights for Mr Bauk and 7,500,000 vested Consultant Rights for Mr Wilson were converted into fully paid ordinary shares. No expense was recorded in the half-year as the expense was fully incurred in prior periods.

On 28 November 2022 at the Company's Annual General Meeting, shareholders approved 60,000,000 Director Performance Rights to Mr Wilson and 8,000,000 Consultant Performance Rights to Mr Graziano as a performance-based incentive for services to the Company. During the half-year, the Company recognised an expense of $399,500 in the statement of profit or loss.

The Performance Rights will vest and be convertible to shares on achievement of the following performance milestones:

(i) Tranche 1 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieving a 20-day VWAP of $0.015;
(ii) Tranche 2 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieves a 20-day VWAP of $0.025;
(iii) Tranche 3 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieves a 20-day VWAP of $0.03;
(iv) Tranche 4 of 17,000,000 performance shares with a vesting condition of the Company achieving a market capitalisation of $100 million

For vesting to occur, the Milestones for each Tranche must be achieved within 3 years of issue of the Performance Rights. Once vested, the Director Rights must be converted into Shares within 2 years of vesting, at the holder's absolute discretion.

The fair value at the grant date of the performance rights was determined using the Tri-nominal pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option. The fair value of the performance rights was $399,500, which has been recorded in the income statement in the current period.

The model inputs for the performance rights during the half-year ended 31 December 2022 included:

(a) share price at grant date was $0.007;
(b) expected volatility of 130%;
(c) expected dividend yield of nil; and
(d) a risk-free interest rate of 3.18%

At the date of this report, the performance milestones for Mr Wilson and Mr Graziano have not yet vested.

10. RELATED PARTIES

PVW Resources Limited, a company of which Mr Bauk is a director, provided the Group with a serviced office and administration services totalling $17,918 (2021: $15,716). $6,238 (2021: $2,420) was outstanding at period-end.

Orex Pty Ltd, a company of which Mr Wilson is a director (appointed 6 October 2022), provided the Group with geological services totalling $129,588. $18,750 (2021: $5,600) was outstanding at period-end. Mr Wilson received 60,000,000 performance rights valued at $352,500 during the period, refer to 9 for further details.

Pathways Corporate Pty Ltd, a company of which Mr Graziano (appointed 19 August 2022) is a director, provided the Group with company secretary services and serviced office facilities totalling $24,000 (2021: $nil). $nil (2021: $nil) was outstanding at period-end. Mr Graziano received 8,000,000 performance rights valued at $47,000 during the period, refer to note 9 for further details.

Palisade Business Consulting Pty Ltd, a company of which Ms Smith (resigned 19 August 2022) is a director, provided the Group with company secretary services and serviced office facilities including administration and information technology support and accounting services totalling $30,725 (2021: $47,178). $4,000 (2021: $7,550) was outstanding at period-end. Upon Ms Smith resigning from the Company, 15,000,000 performance rights were cancelled resulting in a reversal of an expense of $105,000 to the statement of profit or loss. Refer to note 9 for further details.

These transactions have been entered into on normal commercial terms.

11. CONTINGENT ASSETS & LIABILITIES

There were no material changes to the Group’s contingencies since 30 June 2022.

12. COMMITMENTS

There were no material changes to the Group’s commitments since 30 June 2022.

13. DIVIDENDS

No dividends have been paid or provided for during the half-year.

14. SUBSEQUENT EVENTS

On 15 February 2023, the Company announced the lapse of 174,166,667 unlisted performance rights as the conditions were not met, or incapable of being satisfied and also due to the cessation of employment.

On 16 February 2023, the Company announced it had entered into a binding agreement for the acquisition of 1388068 B.C. Ltd, the holder to the right of two claims perspective for copper and uranium. On 20 February 2023, the Company issued 40,000,000 ordinary shares at an issue price of $0.005 and upon settlement a further 10,000,000 deferred consideration shares and a payment of US$10,000 in cash will be made to the vendors for 100% of the issued capital of 1388068 B.C. Ltd, the owners of the two tenements. 7,000,000 ordinary shares were also issued for consulting services provided in lieu of cash consideration.

On 20 February 2023, the Company issued a total of 70,000,000 performance rights. 60,000,000 to Mr Wilson as a director, 8,000,000 Mr Graziano as Company Secretary and 2,000,000 to an employee as approved by shareholders at the AGM on 29 November 2022 and under the company’s long term incentive plan.

There were no other known significant events from the end of the financial period up to the date of this report.

DIRECTORS' DECLARATION

In the opinion of the Directors of Valor Resources Limited ('the Group'):

1. The financial statements and notes thereto, as set out on pages 7 to 16, are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year then ended on that date; and

2. Subject to the matters in Note 2(a), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5)(a) of the Corporations Act 2001.

George Bauk
Executive Chairman
Perth, Western Australia
15 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Valor Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Valor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth

15 March 2023