



Half-year Financial Report
31 December 2023

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CORPORATE DIRECTORY

Directors

Mr. George Bauk (Executive Chairman)
Mr. Gary Billingsley (Non-Executive Director)
Mr. Robin Wilson (Technical Director)

Company Secretary

Mr. Joe Graziano

Registered Office

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Auditors

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Level 9, Mia Yellagonga Tower 2
5 Spring Street
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 2023. 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

Results

The profit after tax for the half year ended 31 December 2023 was \$82,183 (2022: loss of \$1,118,833).

Dividends

No dividend was paid or declared by the Company during the half-year and up to the date of this report (2022: 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 has an 80% 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 13 contiguous mineral claims covering 33,178 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 three additional projects within or close to the Athabasca Basin with 100% equity interest in 21 mineral claims covering 23,741 hectares at the Surprise Creek Project, Pendleton Lake Project and Beatty River Project.

Valor's 40% interest in Peruvian entity Kiwanda SAC (Kiwanda), which 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 project comprises twenty granted mining concessions for a total of 21,519 hectares (215km²) and the Charaque Project comprises eight granted mining concessions which cover a total of 6,000 hectares (60km²).

PERU – COPPER:

During the half year ended 31 December 2023, the Company completed the 60% sale of its Peruvian copper assets to Firetail Resources Limited (ASX: FTL). The total consideration payable to Valor pursuant to the Acquisition is set out below:

- A\$200,000 cash payment paid upon the execution of the binding terms sheet in consideration of Firetail being provided an exclusive 90-day due diligence period into Kiwanda and the Projects;
- A\$550,000 cash payment;
- 15,000,000 fully-paid shares in FTL with a fair value of \$0.12 per Share to acquire an initial 60% shareholding interest in Kiwanda; and
- 20,000,000 performance rights convertible into Shares upon the satisfaction of the vesting conditions following which FTL will acquire an additional 20% interest in Kiwanda (i.e., 80% in total). The terms of the performance rights, including the respective performance milestones, are set out in Firetail Resources notice of General Meeting issued to shareholders on 21 July 2023.

In October 2023, Firetail Resources commenced its maiden drill program at the Picha Copper Project in Peru, with the objective of completing a 5,000m drilling program in the first quarter of 2024. On the 14th of November 2023, Firetail provided an update on the drilling program (see ASX announcement, 14 November 2023: "Encouraging First Assay results from Picha Copper Project"). Highlights of the first results included.

- 13m @ 2.81% Cu and 27.1g/t Ag from 2m

- 3.9m @ 0.27% Cu and 4.68 g/t Ag from 23.7m

CANADA – LITHIUM

On the 5th of December 2023, the Company announced that it has secured an exclusive option to acquire three lithium projects in the Thunder Bay area of Ontario, Canada. Two of the three options were with CSE-listed company Pegmatite One (PGA), covering the Frazer Lake and Morrison River Lithium Projects.

Frazer Lake

- Valor has entered into an exclusive binding option agreement with PGA for the acquisition of 100% of the Frazer Lake Lithium Project. For the exclusive right until 30th of September 2024 to acquire the Frazer Lake Lithium Project, Valor is to pay on a pre-consolidation basis:
 - 20,000,000 Shares at a deemed issue price of \$0.004 per Share or \$80,000 cash at Valor's election upon execution of the agreement;
 - 30,000,000 Shares at a deemed issue price of \$0.004 per share or \$120,000 cash at Valor's election upon commencement of on ground-field based exploration activities; and
 - 30,000,000 Shares at a deemed issue price of \$0.004 per share or \$120,000 cash at Valor's election three months post commencement of on ground-field based exploration activities; and
- In the event Valor elects to proceed with 100% acquisition, Valor is required to issue 1,000,000,000 shares on a pre consolidation basis. The issue of these Shares will be subject to Shareholder approval pursuant to Listing Rule 7.1.

Morrison River

- Valor has entered into an exclusive non-binding option agreement with PGA for the acquisition of 100% of the Morrison River Lithium Project. For the exclusive right until 30th of September 2024 to acquire the Morrison River Lithium Project, Valor is to pay on a pre-consolidation basis:
 - 5,000,000 Shares at a deemed issue price of \$0.004 per Share or \$20,000 cash at Valor's election upon execution of the agreement;
 - 7,500,000 Shares at a deemed issue price of \$0.004 per share or \$30,000 cash at Valor's election upon commencement of on ground-field based exploration activities; and
 - 7,500,000 Shares at a deemed issue price of \$0.004 per share or \$30,000 cash at Valor's election three months post commencement of on ground-field based exploration activities; and
- In the event Valor elects to proceed with 100% acquisition, Valor is required to issue 250,000,000 shares on a pre-consolidation basis. The issue of these Shares will be subject to Shareholder approval pursuant to Listing Rule 7.1.

Jesaulenko Acquisition Agreement

- The Company has entered into an agreement to acquire 100% of the issued capital of Stratosphere Li Pty Ltd (SLi). SLi is the 100% beneficial owner of the Jesaulenko Lithium Project.
- SLi will hold the Jesaulenko Lithium Projects at the completion date.
- The consideration payable by the Company for the acquisition is 312,500,000 Shares at a deemed issue price of \$0.004 per Share on a pre-Consolidation basis, upon completion of the acquisition.
- SLi is to ensure that it has a minimum of A\$350,000 in cash at completion.

CANADA – URANIUM:

On the 24th of October 2023, the Company expanded the Surprise Creek Uranium – Copper Project with the acquisition of adjoining tenements. Valor acquired 1325020BC Limited, which holds these tenements, for 50 million Valor shares. 1325020BC Limited had A\$100,000 in the bank, which was transferred to Valor Resources.

Drill planning assessment was completed for the Hidden Bay Uranium Project, located 20km SSW of the historical Rabbit Lake Mine (Cameco), with targets ready for drilling in 2024.

A project review was completed at the Cluff Lake Uranium Project, with six priority drill holes defined and a drill permit in place. Land holdings at Cluff Lake were consolidated.

Corporate:

On 6th September 2023, Valor completed the sale of an initial 60% interest in its Picha Copper-Silver Project and Charaque Copper Project in southern Peru to Firetail Resources (ASX: FTL) announced to the market 5 July 2023. Under the acquisition agreement, Firetail acquired an initial 60% of the issued share capital of Kiwanda S.A.C. (Kiwanda), a previously wholly owned subsidiary of Valor which holds the mining concessions that make up the Picha and Charaque Projects.

On 15 August 2023, the Company issued 23,300,000 fully paid ordinary shares at \$0.004 to service providers in lieu of cash consideration.

On 14 September 2023, the Company converted 45,000,000 vested Director performance rights into fully paid ordinary shares. The shares vested where milestones have been achieved.

During the period, the Company announced the lapse of 30,000,000 Director performance rights which were not converted prior to their expiry and 27,500,000 Consultant performance rights where the conditions of the securities grant were not met or are incapable of being satisfied.

On 24 October 2024, the Company issued 50,000,000 fully paid ordinary shares at \$0.004 for the acquisition of 100% of the issued capital of 1325020 B.C Ltd, the holder of a 500km² claim package expanding the Surprise Creek Uranium-Copper Project.

On 29 November 2023, the Company announced that all resolutions put forward at the AGM passed successfully.

On 18 December 2023, Valor announced the successful completion of a \$1 million placement at \$0.004 per share following the issue and allotment of 250 million new shares. The shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1A.

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 the 7th February 2024, the Company announced the completion of the acquisition of 1388068 B.C. Ltd, the holder of the MC00016279 and MC00018106, extending the Surprise Creek Uranium-Copper Project as announced on 16 February 2023 via the issue of 10 million ordinary shares to the vendors.

On the 7th February 2024, the Company issued 37 million ordinary shares to the introducers of the Pegmatite One projects.

On the 13th of February 2024, the Company executed the purchase option agreement for the right to acquire 100% of the Frazer Lake Lithium Project. The company paid Pegmatite One \$80,000.

On the 15th of February 2024, the Company announced the cancellation of 166,666,666 performance rights and 20,583,333 unlisted options Ex \$0.02 expiry 11 Feb 2024.

On the 15th of February 2024, the Company completed the 80% earn in on the Hook Lake Uranium Project with Skyharbour Resources Limited with the 3rd and final anniversary payment of C\$75,000 cash and 31.75m Valor shares.

On the 16th of February 2024, the Company announced the notice of meeting of shareholders to be held on the 19th of March 2024. The key items for shareholders to vote on include various ratifications of shares issued recently, approval for issue of shares associated with the Frazer Lake and Morrison River acquisition, a 25:1 share consolidation and a name change to Thunderbird Resources Limited.

On the 20th of February 2024, the Company announced the completion of the Jesaulenko acquisition which included the issue of 312.5m shares to the vendor and the company, Stratosphere transferring \$350,000 to Valor Resources.

On February 5th Firetail Resources (ASX:FTL) announced to the market "Significant polymetallic mineralisation at Cumbre Coya Target, Picha Project, Peru". Highlights included;

- 15.5m @ 0.72% Cu, 130g/t Ag, 1.92% Pb and 0.16% Zn from 3.25m
- 3.2m @ 0.23% Cu from 111.1m
- 1.45m @ 0.17% Cu, 15.5g/t Ag, 0.51% Pb and 0.19% Zn from 41.75m.

On the 1st of March 2024, the Company announced the signing of the EM survey to commence on the Cluff Lake Project and the extension of the drilling permit at Cluff Lake Project through to August 2025.

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 2023.

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.

A handwritten signature in black ink, appearing to read 'GB', with a long horizontal flourish extending to the right.

George Bauk
Executive Chairman
Perth, Western Australia
15 March 2024

Auditors Independence Declaration



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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 2023, 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.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light blue horizontal line.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

15 March 2024

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Continuing Operations			
Interest received		915	3,690
Other income		81,416	-
Expenses			
Listing and share registry expenses		(46,700)	(35,709)
Legal fees		(69,990)	(67,534)
Consultants and directors' fees		(276,569)	(333,091)
Travel and accommodation		(43,699)	(108,614)
Depreciation		(544)	(544)
Foreign exchange gain/(loss)		(8,406)	(9,338)
Impairment of exploration expenditure	6	(39,645)	-
Share based payment expense		-	(399,792)
Fair value loss on financial assets	5	(645,000)	-
Salaries and wages		(26,955)	(14,767)
Gain on disposal of subsidiary	10	1,345,138	-
Other expenses		(187,593)	(152,414)
Profit/(loss) from continuing operations before income tax and finance costs		82,368	(1,118,113)
Finance costs		(185)	(720)
Profit/(loss) from continuing operations after income tax		82,183	(1,118,833)
Income tax expense		-	-
Profit/(loss) for the half-year		82,183	(1,118,833)
Other comprehensive income/(loss)			
<i>Items that may be Reclassified to Profit or Loss</i>			
Foreign currency translation difference		(88,223)	(505,658)
Other comprehensive loss for the half-year, net of tax		(88,223)	(505,658)
Total comprehensive loss for the half-year		(6,040)	(1,624,491)
Profit/(loss) for the period attributable to:			
Owners of Valor Resources Limited		82,183	(1,118,833)
		82,183	(1,118,833)
Comprehensive loss for the period attributable to:			
Owners of Valor Resources Limited		(6,040)	(1,624,491)
		(6,040)	(1,624,491)
Profit/(loss) per share attributable to owners of Valor Resources Limited			
Basic and diluted loss per share (cents per share)		0.000	(0.030)

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 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current Assets			
Cash and cash equivalents	4	799,445	213,948
Trade and other receivables		242,307	433,523
Other current assets		429,646	132,750
Assets classified as held for sale		-	2,749,321
Total Current Assets		1,471,398	3,529,542
Non-Current Assets			
Investments accounted for using the equity method	11	1,823,448	-
Financial assets at fair value through profit or loss	5	1,155,000	-
Receivables		1,014	1,014
Property, plant and equipment		1,270	1,815
Deferred exploration and evaluation expenditure	6	11,666,971	11,542,351
Total Non-Current Assets		14,647,703	11,545,180
Total Assets		16,119,101	15,074,722
Current Liabilities			
Trade and other payables	7	732,015	876,492
Total Current Liabilities		732,015	876,492
Non-Current Liabilities			
Deferred tax liabilities	8	1,498,169	1,534,986
Total Non-Current Liabilities		1,498,169	1,534,986
Total Liabilities		2,230,184	2,411,478
Net Assets		13,888,917	12,663,244
Equity			
Issued Capital	9	69,176,359	67,706,696
Reserves		20,163,896	20,674,269
Accumulated losses		(75,451,338)	(75,717,721)
Total Equity		13,888,917	12,663,244

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 2023*

		31 December 2023	31 December 2022
		\$	\$
Cash flows from operating activities			
Receipts from customers		42,286	-
Payments to suppliers and employees		(673,862)	(634,892)
Interest received		915	3,690
Interest paid		-	(720)
Net cash outflow from operating activities		(630,662)	(631,922)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(413,236)	(1,852,612)
Acquisition of entities, net of cash acquired		84,438	-
Proceeds from disposal of Peru project, less cash disposed	10	618,612	-
Net cash inflow/(outflow) from investing activities		289,814	(1,852,612)
Cash flows from financing activities			
Proceeds from share issues		1,000,000	-
Payments for share issue costs		(66,000)	(3,645)
Net cash inflow/(outflow) from financing activities		934,000	(3,645)
Net increase/(decrease) in cash held		593,152	(2,488,179)
Cash and cash equivalents at beginning of period		213,948	3,210,257
Net foreign exchange differences		(7,655)	(66,531)
Cash and cash equivalents at the end of the period		799,445	655,547

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 2023

	Issued Capital \$	Accumulated Losses \$	Option Reserves \$	Foreign Exchange Reserves \$	Share Based Payments Reserve \$	Performance Shares Reserve \$	Total \$
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)
<i>Other comprehensive income</i>							
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
Balance at 1 July 2023	67,706,696	(75,717,721)	7,358,507	270,577	11,712,193	1,332,992	12,663,244
Profit for the half-year	-	82,183	-	-	-	-	82,183
<i>Other comprehensive income</i>							
Foreign currency translation	-	-	-	(88,223)	-	-	(88,223)
Total comprehensive income for the half-year	-	82,183	-	(88,223)	-	-	(6,040)
Transactions with owners in their capacity as owners							
Share issued as part of acquisition	200,000	-	-	-	-	-	200,000
Shares issued for services rendered	93,200	-	-	-	-	-	93,200
Shares issued as part of placements	1,000,000	-	-	-	-	-	1,000,000
Share issue costs	(61,487)	-	-	-	-	-	(61,487)
Lapse of vested performance rights not converted	-	184,200	-	-	-	(184,200)	-
Shares issued on conversion of performance rights	237,950	-	-	-	-	(237,950)	-
Balance at 31 December 2023	69,176,359	(75,451,338)	7,358,507	182,354	11,712,193	910,842	13,888,917

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of Valor Resources Limited ('the Group') for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 15 March 2024.

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 2023 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 2023 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 2023 financial statements and the comparative half-year period except for the impact of new or amended standards and interpretations effective 1 July 2023. 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 2023, 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 2023. 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 2023 the Group recorded a profit before tax of \$82,183 (2022: loss of \$1,118,833) and had net cash outflows from operating and investing activities of \$340,848 (2022: \$2,484,534). 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. 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 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;
- 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:

- In note 10, fair value of retained interest in Kiwanda; and
- In note 10, determination of joint control

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting policies

Investments accounted for using the equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The consolidated entity discontinues the use of the equity method upon the loss of control over the investment and recognises any retained investment at its fair value. Any difference between the carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Financial assets at fair value through profit or loss

The group classifies its investments in equity instruments at fair value through profit or loss. At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group subsequently measures all equity investments at fair value. The fair value of the equity holdings held in ASX companies are based on the quoted market prices from the ASX on the last trading day prior to the period end and are therefore Level 1 fair value instruments.

3. SEGMENT REPORTING

Identification of reporting operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Valor Resources Limited.

For management purposes, the Group has three reportable segments as follows:

- Canadian exploration activities, which includes exploration and evaluation of mineral tenements in Saskatchewan.
- Peruvian exploration activities, which includes exploration and evaluation of mineral tenements in the Puno and Moquegua Departments of Peru through the Group's jointly controlled investment
- Unallocated (i.e. Australia), which includes all other expenses that cannot be directly attributed to any of the segments above.

	Australia \$	Continuing operations Peru \$	Canada \$	Consolidated \$
31 December 2023				
Segment revenue	915	-	-	915
Segment loss before income tax expense	(49,464)	-	(32,719)	(82,183)
31 December 2023				
Segment assets	2,628,682	1,823,448	11,666,971	16,119,101
Segment liabilities	537,895	-	1,692,289	2,230,184
Additions to non-current Assets	-	-	187,018	187,018

	Australia \$	Continuing operations Peru \$	Canada \$	Consolidated \$
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)
30 June 2023				
Segment assets	282,234	3,111,930	11,680,558	15,074,722
Segment liabilities	512,143	119,888	1,779,447	2,411,478
Additions to non-current Assets	-	1,032,980	1,426,542	2,459,522

4. CASH AND CASH EQUIVALENTS

	December 2023 \$	June 2023 \$
Cash comprises of:		
Cash at bank	799,445	213,948
Closing balance	799,445	213,948

5. CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Classification of financial assets at fair value through profit or loss

Investments are designated at fair value through profit or loss where management have made the election in accordance with AASB 9 Financial Instruments.

	Consolidated December 2023 \$	June 2023 \$
<i>Listed equity securities</i>		
Opening fair value	-	-
Assets acquired on disposal of Kiwanda	1,800,000	-
Fair value gain/(loss) recognised in profit or loss	(645,000)	-
Closing fair value	1,155,000	-

6. DEFERRED EXPLORATION & EVALUATION EXPENDITURE

	December 2023	June 2023
	\$	\$
Opening balance	11,542,351	12,041,627
Exploration expenditure incurred during the period	187,018	2,459,521
Transfer to assets held for sale	-	(2,749,321)
Impairment of Lorado, Smitty and MacPherson projects ¹	(39,645)	-
Net exchange differences on translation	(22,753)	(209,476)
Closing balance	11,666,971	11,542,351

¹ Lapse of Lorado project tenement MC00014091, Smitty project tenement MC00014092 and MacPhersons project tenements MC00013494 and MC00013454 resulting in impairment of exploration expenditure.

7. TRADE AND OTHER PAYABLES

	December 2023	June 2023
	\$	\$
Current		
Trade creditors & other payables	466,957	579,710
Deferred consideration liability	194,120	244,461
Accruals - other	70,938	30,000
Insurance premium funding	-	22,321
Closing balance	732,015	876,492

8. DEFERRED TAX LIABILITIES

	December 2023	June 2023
	\$	\$
Deferred tax liabilities	1,498,169	1,534,986
	1,498,169	1,534,986

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.

9. ISSUED CAPITAL

	December 2023 \$	June 2023 \$
(a) Issued and paid up capital		
Ordinary shares fully paid	69,176,359	67,706,696

	December 2023		June 2023	
	Number of shares	\$	Number of shares	\$
(b) Movements in shares on issue				
Opening balance	3,803,034,790	67,706,696	3,658,534,790	66,852,924
Shares issued as part of placements	250,000,000	1,000,000	-	-
Conversion of performance rights ^{1, 2}	47,000,000	237,950	67,500,000	472,500
Shares issued as part of acquisitions ^{3, 4}	50,000,000	200,000	77,000,000	385,000
Shares issued for services received ⁵	23,300,000	93,200	-	-
Share issue costs	-	(61,487)	-	(3,728)
Closing balance	4,173,334,790	69,176,359	3,803,034,790	67,706,696

¹ 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.

² As announced on 14 September 2023, the Company converted 45,000,000 vested performance rights to ordinary shares for nil consideration to directors Mr George Bauk and Mr Gary Billingsley. A further 2,000,000 key management personnel performance rights vested and were converted on 15 August 2023.

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 measured by reference to the fair value of the shares issued.

⁴ As announced on 14 December 2023, Valor acquired 100% of the issued capital of 1325020 B.C. Ltd, the holder of a 500km² claim package in the Athabasca Basin inclusive of the 160km² Pring Lake claim package, for consideration comprising the issue of 50 million fully paid ordinary shares.

⁵ Share based payments were valued at share price on the date of issue as fair value of the asset could not be determined.

9. ISSUED CAPITAL (continued)

(c) Performance Rights

As at 31 December 2023, there were 234,711,666 performance rights held. Details are as follows:

	Director Performance Rights	Vendor Performance Rights	Consultant & Employee Performance Rights
Balance at 1 July 2023	120,000,000	166,666,666	70,000,000
Converted during the period ¹	(45,000,000)	-	(2,000,000)
Expired during the period ²	(30,000,000)	-	-
Balance at as at 31 December 2023	45,000,000	166,666,666	68,000,000

¹ 45,000,000 director performance rights and 2,000,000 employee performance rights converted to fully paid ordinary shares per ASX announcements on 14 September 2023 and 15 August 2023.

² Per ASX announcements on 14 September 2023, 30,000,000 lapsed vested performance rights not converted to shares.

10. DECONSOLIDATION OF SUBSIDIARY

a) Description

On 30 June 2023 the Company executed a binding term-sheet (BTS) with Firetail Resources Ltd (Firetail) to dispose of up to 80% of the fully paid ordinary shares in Kiwanda S.A.C (No. 12859541) (Kiwanda) consisting of:

- (i) at Completion, the disposal of 60% of the issued share capital in Kiwanda; and
- (ii) the additional disposal of up to 20% of the issued share capital in Kiwanda upon the satisfaction of the respective performance milestones.

On 5 September 2023 and the satisfaction of conditions precedent, Firetail made a cash payment of \$750,000 and issued 15,000,000 fully paid ordinary shares to the Company. Furthermore, Firetail received shareholder approval to issue 20,000,000 performance rights to the Company convertible into Shares upon the satisfaction of the vesting conditions.

During the earn-in period, there are a number of decisions which require unanimous approval of the Kiwanda shareholders. Hence, from Completion, Valor has deconsolidated its former subsidiary Kiwanda, who is now classified as a joint venture.

(b) Critical accounting estimates and judgements

Accounting for this transaction has required management to exercise a high degree of judgement over the following areas:

Classification of loss of control

From Completion of the Firetail Transaction, by virtue of the contractual rights contained in the Kiwanda Shareholders Agreement, Firetail has obtained joint control of Kiwanda.

By virtue of Firetail having obtained joint control, Valor has lost control of Kiwanda, resulting in deconsolidation by Valor of Kiwanda, and the subsequent recognition of an equity accounted investment.

Fair value on initial recognition of retained interest

The fair value on initial recognition of the Company's retained interest in Kiwanda, which was 40% at date of disposal, has been determined using management's judgement on the contractual provisions of the Binding Term Sheet. Firetail have paid \$2,250,000 their 60% interest in Kiwanda. This amount has been determined as being indicative of the fair value of 60% of Kiwanda at Completion. The Company's share of the fair value, based on its retained interest in Kiwanda, is \$1,700,000.

Indicators of impairment

The Group assesses whether there is objective evidence that the investment is impaired by reference to one or more events that occurred during a reporting period that would have an impact on the estimated future cashflow of the investment. As at 31 December 2023 there were no internal or external indicators to suggest that the investment is impaired.

10. DECONSOLIDATION OF SUBSIDIARY (continued)

(c) Details of the gain on deconsolidation of subsidiary

	5 September 2023
Consideration received:	\$
Cash	750,000
Shares	1,800,000
Total consideration	2,550,000
FV of interest retained ¹	1,700,000
	4,250,000
Less: Carrying amount of net assets sold	(3,005,924)
Gain on deconsolidation before income tax and reclassification of FCTR	1,244,076
Reclassification of foreign currency translation reserve	101,062
Income tax	-
Net gain on deconsolidation of subsidiary	1,345,138

¹ FV of the investment retained (\$2,550,000/60%*40%).

The carrying amounts of assets and liabilities as at the date of deconsolidation (5 September 2023) were:

Total assets	3,129,077
Total liabilities	(123,153)
Net assets	3,005,924

11. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below is the joint venture of the Group as at 31 December 2023. Kiwanda S.A.C has been classified as an joint venture during the current financial year (refer note 10) and the investment is measured using the equity method. Previously Kiwanda was classified as a subsidiary and consolidated in accordance with the Company's accounting policy. Kiwanda was incorporated in Peru, which is also its principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held. The percentage of ownership may be diluted upon completion of Earning Conditions as detailed in note 10. Kiwanda is a private exploration company with minerals interests in Peru. It is a strategic investment which holds the Picha and Charaque projects.

Name of entity	% of ownership interest		Carrying amount	
	December 2023	June 2023	December 2023	June 2023
	%	%	\$	\$
Kiwanda S.A.C.	60%	100%	1,823,448	-
			1,823,448	-

There are no material contingent liabilities or contingent assets of Kiwanda at reporting date.

12. 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 \$11,500 (2022: \$17,918). \$27,109 (2022: \$6,238) was outstanding at period-end.

Orex Pty Ltd, a company of which Mr Wilson is a director, provided the Group with geological services totalling \$65,400. \$111,375 (2022: \$18,750) was outstanding at period-end.

Pathways Corporate Pty Ltd, a company of which Mr Graziano is a director, provided the Group with company secretary services and serviced office facilities totalling \$81,875 (2021: \$24,000). \$nil (2022: \$nil) was outstanding at period-end.

These transactions have been entered into on normal commercial terms.

13. CONTINGENT ASSETS & LIABILITIES

There were no material changes to the Group's contingencies since 30 June 2023.

14. COMMITMENTS

There were no material changes to the Group's commitments since 30 June 2023.

15. DIVIDENDS

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

16. SUBSEQUENT EVENTS

On the 7th February 2024, the Company announced the completion of the acquisition of 1388068 B.C. Ltd, the holder of the MC00016279 and MC00018106, extending the Surprise Creek Uranium-Copper Project as announced on 16 February 2023 via the issue of 10 million ordinary shares to the vendors.

On the 7th February 2024, the Company issued 37 million ordinary shares to the introducers of the Pegmatite One projects.

On the 13th of February 2024, the Company executed the purchase option agreement for the right to acquire 100% of the Frazer Lake Lithium Project. The company paid Pegmatite One \$80,000.

On the 15th of February 2024, the Company announced the cancellation of 166,666,666 performance rights and 20,583,333 unlisted options Ex \$0.02 expiry 11 Feb 2024.

On the 15th of February 2024, the Company completed the 80% earn in on the Hook Lake Uranium Project with Skyharbour Resources Limited with the 3rd and final anniversary payment of C\$75,000 cash and 31.75m Valor shares.

On the 16th of February 2024, the Company announced the notice of meeting of shareholders to be held on the 19th of March 2024. The key items for shareholders to vote on include various ratifications of shares issued recently, approval for issue of shares associated with the Frazer Lake and Morrison River acquisition, a 25:1 share consolidation and a name change to Thunderbird Resources Limited.

On the 20th of February 2024, the Company announced the completion of the Jesaulenko acquisition which included the issue of 312.5m shares to the vendor and the company, Stratosphere transferring \$350,000 to Valor Resources.

On February 5th Firetail Resources (ASX:FTL) announced to the market "Significant polymetallic mineralisation at Cumbre Coya Target, Picha Project, Peru". Highlights included;

- 15.5m @ 0.72% Cu, 130g/t Ag, 1.92% Pb and 0.16% Zn from 3.25m
- 3.2m @ 0.23% Cu from 111.1m
- 1.45m @ 0.17% Cu, 15.5g/t Ag, 0.51% Pb and 0.19% Zn from 41.75m.

On the 1st of March 2024, the Company announced the signing of the EM survey to commence on the Cluff Lake Project and the extension of the drilling permit at Cluff Lake Project through to August 2025.

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 17, 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 2023 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 2024

Independent Auditor's Review Report



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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 2023, 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 2023 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.

Independent Auditor's Review Report



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 2023 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

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, larger 'BDO' logo.

Ashleigh Woodley

Director

Perth, 15 March 2024