



**VALOR  
RESOURCES**

## **CORPORATE UPDATE & RESIGNATION OF JOINT COMPANY SECRETARY**

### **ASX Release**

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**22 December 2017**

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**Directors**

Mr Mark Sumner  
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**Company Secretary**

Ms Paula Cowan

**ASX Code:**

VAL

Valor Resources Limited ("VAL" or the "Company", ASX: VAL) is pleased to provide an update on the company's activities and highlights from 2017.

### **Management Commentary**

Valor Chairman, Mark Sumner, stated: *"2017 has been a year of significant progress and development for Valor. The Company has achieved a number of important milestones in our continued development of the Berenguela project. We said we were going to hit the ground running with Berenguela and that's exactly what we've done. The 2017 drilling program was highly successful in delivering excellent results, including the best intercepts ever delivered on the deposit."*

*"The Company released an update to the JORC Resource estimate in October which significantly increased total tonnage in the deposit by over 18% and total contained copper by over 36%. The drill program greatly expanded the size of the resource shell and we are now making way for a further update, as well as completing QAQC for a maiden Measured Resource."*

*"The Company looks to continue its strong momentum into the new year. I am pleased to advise that the Company's technical team has been on site conducting surface work throughout December. 2018 will be very busy from the onset, as we intend to provide an update of the project scoping study, commence a significant follow on drill program and drive the project towards PFS around the middle of the year. It is our aim to make Berenguela one of the great copper development stories on ASX."*



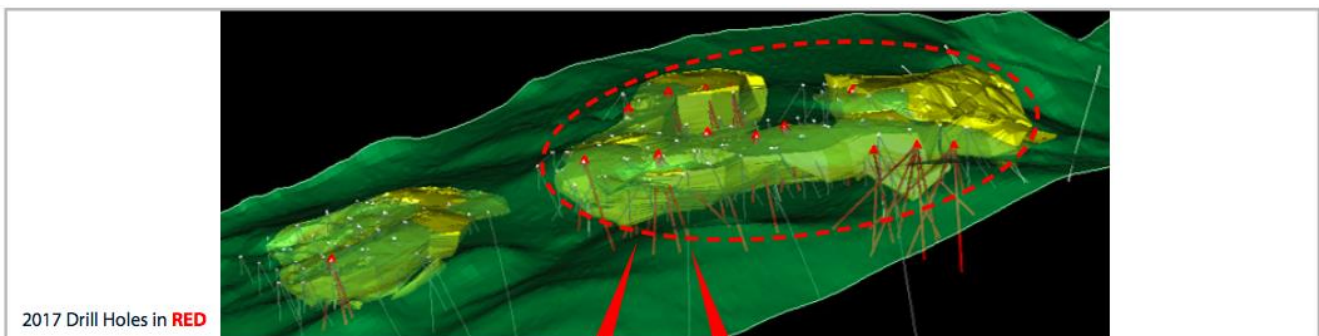
**Surface Analysis at Berenguela 2017**

## Key 2017 Achievements

### Successful Drilling Season

Between June and November of 2017, the Company executed a highly successful drill program at the Berenguela project. The program was designed to include 66 drill holes for a total of 9,570 metres, targeting depths between 100 and 200 metres focusing primarily on the Berenguela central deposit area, with select drill holes targeting mineralization outside of the area current Inferred Resource shell. The program provided a number of significant intercepts, including some of the highest ever delivered at the Berenguela project. The final drilling program consisted of a total of 69 holes for a total of 9,109 meters. The drill holes are spaced on 35m x 35m grid and were performed from 20 platforms (BEP-001, BEP-002, BEP-003, BEP-005, BEP-006, BEP-007, BEP-008, BEP-021, BEP-022, BEP-023, BEP-024, BEP-025, BEP-029, BEP-031, BEP-032).

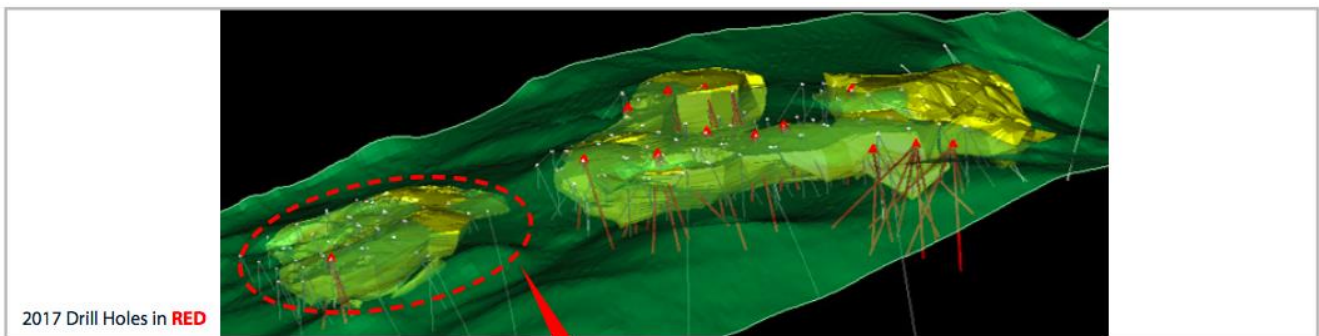
### Key Drilling Intercepts



- > 57 m @ 0.96% Cu + 151.1 g/t Ag + 7.15% Mn + 0.97% Zn (from 3m);
- > 50 m @ 1.39 Cu% + 130.77 Ag g/t + 11.63 Mn% + 0.34 Zn% (from 14 m)
- > 36 m @ 1.18% Cu + 78.48 g/t Ag + 10.17% Mn + 0.83% Zn (from 0m)
- > 27 m @ 0.98% Cu + 504 g/t Ag + 9.38% Mn + 0.44% Zn (from 39m)
- > 55 m @ 1.87% Cu + 251.90 g/t Ag + 13.55% Mn + 0.51% Zn (from 0 m)

- > 32m @ 2.07% Cu + 143.64 g/t Ag + 10.59% Mn + 0.35% Zn (from 59m):
- > 23 m @ 1.51% Cu+ 151.57 g/t Ag + 11.16% Mn + 0.24% Zn (from 29 m):
- > 55 m @ 1.87% Cu + 251.90 g/t Ag + 13.55% Mn + 0.51% Zn (from 0 m).
- > 35 m @ 1.35% Cu + 166.99 g/t Ag + 12.06% Mn + 0.48% Zn (from 0 m).
- > 35 m @ 1.35% Cu + 166.99 g/t Ag + 12.06% Mn + 0.48% Zn (from 0 m)

3D View of Berenguela Deposit with Key Drill Intercepts in the Central Zone



- > **96 metres at 0.85% Cu + 126.12 g/t Ag + 7.00% Mn + 0.28% Zn from 0 metres, including:**
  - 42 metres at 0.98% Cu + 124.93 g/t Ag + 9.26% Mn + 0.32% Zn from 46 metres.
- > **32 metres at 0.89% Cu + 170.42 g/t Ag + 8.88% Mn + 0.31% Zn from 28 metres, including**
  - 9 metres at 1.85% Cu + 241.33 g/t Ag + 16.05% Mn + 0.41% Zn from 31 metres.

3D View of Berenguela Deposit with Key Drill Intercepts in the Western Limb

## JORC Resource Estimate

On 18 October 2017, the Company announced an update to the JORC Resource Estimate for the Berenguela project.

For further JORC Code (2012 Edition) information refer to ASX announcement 'JORC Resource Estimate Update for Berenguela Estimate Update for Berenguela' dated 18 October 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in this presentation and that all material assumptions and the technical parameters underpinning the JORC Resources Estimate continue to apply and have not materially changed.

### Updated JORC (2012) Resource Table (2017):

Category	Tonnes (mil)	Ag Grade (g/t)	Cu Grade (%)	Mn Grade (%)	Zn Grade (%)	CuEq (%)
Indicated	22.61	113.91	1.002	9.93	0.36	1.663
Inferred	2.92	107.80	1.010	6.72	0.23	1.588
<b>TOTAL</b>	<b>25.53</b>	<b>112.62</b>	<b>1.003</b>	<b>9.56</b>	<b>0.35</b>	<b>1.654</b>

\*Cut-Off Grade: 0.50% CuEq

**Total Contained Copper: 564 million pounds**

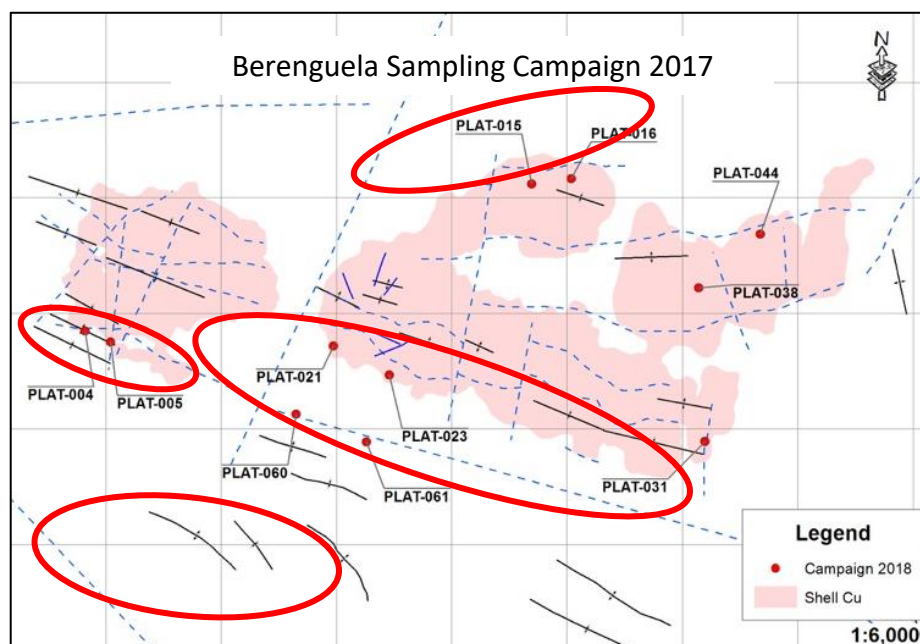
**Total Contained Silver: 93 million ounces**

**Total Contained Zinc: 197 million pounds**

Assuming a cut-off grade of 0.50% CuEq, the updated resource estimate represents an 18% increase in total Indicated and Inferred Resources from 21.6 million tonnes to 25.53 million tonnes. The updated resource estimate also represents a 36% increase in total contained copper from 415 million pounds to 564 million pounds, as well as an increase in grade from 0.87% to 1.003% for Indicated and Inferred Resources. Silver resources have been increased by 6%, which adds 5 million ounces of contained silver to the total resources.

## Surface Sampling Program

The Company recently completed a surface sampling program designed to test large outcropping formations at surface outside the northern border, in the south-central and southwestern limb of Berenguela. The sampling program is designed to support the 2018 expansion drill targets and delineate further high grade mineralisation at surface. The Company expects to receive sampling assays in late January and looks forward to updating shareholders as these results become available.



2017 Sampling Map





**Sampling Outcrops South of the Resource Boundary**



**Sampling Outcrops South of the Resource Boundary**



## **2018 Work Program and Key Milestones**

### **Further JORC Resource Update**

Valor has completed the initial resource calculations for a further update to the JORC Resource Estimate and it is expected that the Company's independent Competent Person will provide the requisite sign off on the final report by early January 2018.

### **Next Phase of Project Development**

Valor is in the process of updating the project scoping study, which will include a revised resource estimate, as well as updates from the Company's ongoing metallurgical testwork.

The Company is currently designing the next phase of drilling, which will focus on testing high grade copper and silver extensions of the Northern border of the deposit (beyond platforms 006, 007 and 008), high grade copper extensions in the SE of the deposit (platforms 025 and 031) and high grade copper and silver mineralisation in the central and western zones (platforms 001, 029).

The next drilling program will be designed to test extensions of the current mineralised resource shell. The drill program is expected to commence the drill program between late Q1 and early Q2 of 2018. The Company looks forward to informing the market as program design is completed.

The Company aims to take Berenguela into PFS by June 2018.

### **Corporate Matters**

Valor advises that Ms. Kelly Moore has resigned as Joint Company Secretary effective immediately, in order to pursue other business interests. Ms. Paula Cowan will continue in the role as Company Secretary, in addition to her role as Non-Executive Director. The Directors would like to thank Ms. Moore for her contribution to the Company and wish her well with her future endeavours.

**-ENDS-**

### **For further information, please contact:**

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### **About the Berenguela Project:**

**The Berenguela Project is an advanced stage copper-silver project located in the Puno District of Peru. As of 18 October 2017, Berenguela has a Preliminary Mineral Resource Estimate, according to the JORC (2012) Code of:**

- **Indicated: 22.61 million tonnes at 113.91 g/t Ag and 1.002% Cu**
- **Inferred: 2.92 million tonnes at 107.80 g/t Ag and 1.010% Cu**

**The current resource base covers an area of approximately 140 hectares, which accounts for only approximately 2% of the total 6,594 hectares of exploration concessions in Valor's total land package. Valor believes this drilling program will continue to confirm and upgrade the existing resource, while paving the way to further resource expansion drilling in the future.**

**For further JORC Code (2012 Edition) information refer to ASX announcement 'JORC Resource Estimate Update for Berenguela Estimate Update for Berenguela' dated 18 October 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in this presentation and that all material assumptions and the technical parameters underpinning the JORC Resources Estimate continue to apply and have not materially changed.**

### **Copper Equivalent Calculations & Recoveries Assumptions**

The calculation formula used to calculate the reported Copper Equivalent (CuEq %) is as follows:

$$\text{Cu Eq (\%)} = \text{Cu G (\%)} + ((\text{Ag G} / 10000) \times \text{Ag P} \times \text{C} \times \text{ReAg}) / (\text{Cu P} \times \text{ReCu}) + (\text{Zn\%} \times \text{Zn P} \times \text{ReZn}) / (\text{Cu P} \times \text{ReCu})$$

#### Equation Key:

Cu G = Copper grade %

Ag G = Silver grade in g/t

Ag P = Silver price in USD per troy ounce: US\$16.21

C = Conversion of tonnes to ounces, 1 tonne =  $10^6/31.1035=32150.7465$  ounces

ReAg = Expected recovery of silver = 50%

Cu P = Copper price at US\$6,925.00 per tonne

ReCu = Expected recovery of copper = 85%

Zn% = Zinc Grade %;

Zn P = Zinc price = US\$3,217.00 per tonne;

ReZn = Expected recovery of zinc = 80%

See Table 1 for further information on metals grades and drilling intervals.

The metals price assumptions were calculated using spot prices taken from the London Metals Exchange (LME) on Monday, 20th December 2017.

Metallurgical test work has been completed on multiple Berenguela ore samples by independent laboratories and consulting groups. Recovery rates are based on historical work conducted on Berenguela ore samples, as well as guidance from Valor's metallurgical consultants. Valor's metallurgists were consulted regarding the potential for Cu, Ag and Zn recovery based on historical metallurgical work in order to confirm Reasonable Prospects for Eventual Economic Extraction. A Quality Assurance-Quality Control (QAQC) analysis has been conducted to confirm mineralisation, which showed positive intervals. Based on historical metallurgical work and QAQC, it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

### **Competent Persons Statement**

The technical information in this release is based on compiled and reviewed data by Mr. Marcelo Batelochi. Mr. Batelochi is an independent consultant with MB Geologia Ltda and is a Chartered Member of AusIMM – The Minerals Institute. Mr. Batelochi has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken 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". Mr. Batelochi consents to the inclusion in the report of the matters based on their information in the form and context in which it appears. Mr. Batelochi accepts responsibility for the accuracy of the statements disclosed in this release.