

ASX Release

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ASX Code:
VAL

Ordinary Shares:
1,893,192,258

Options:
86,333,333 (\$0.045 – 04/12/2019)
400,000,000 (\$0.015 – 31/12/2021)



**VALOR
RESOURCES**

SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited (**Valor**) or (**the Company**) (ASX: VAL) is pleased to provide its report for the quarter ended 30 September 2019.

QUARTER HIGHLIGHTS

- Drilling at Berenguela completed and data being processed
- Conditional Acquisition of high grade Radio Gold Mine

OPERATIONAL UPDATE

Berenguela Project (“the Project”)

The Berenguela Cu-Ag project is being developed towards the goal of becoming a producer of copper cathode and silver bullion, as well as marketable manganese products, based on a shallow open pit mine and conventional reductive acid-leach process. The Company remains focused on that long-term outcome.

The project is currently subject to a JV option agreement with Kennecott Exploration Company (KEX), a wholly owned subsidiary of Rio Tinto. This has involved a continuation of property-wide soil sampling program extending the geochemical information base of the mineral concession, extending ground magnetics to better define drill targets, and diamond drilling with the objective of elucidating the nature of the Berenguela mineral system. In all, 1427 metres was drilled in four holes, which were comprehensively analysed, together with re-logging 3,400 metres of existing core from 15 diamond drill holes. A large number of samples were analysed by MLA QEM*SCAN mineralogical techniques and electron microscopy in order to understand the fine-grained mineralogy for geometallurgical and exploration modelling purposes.

Assay results from drilling and soil sampling are currently being processed, together with interpretation integrating the data into a well-founded deposit model for continued exploration work programs.

CORPORATE UPDATE

On 4 September 2019, Valor announced it had signed a binding Heads of Agreement to earn an interest in the Radio Gold Mine project (Radio Project) located 40km north of Southern Cross in Western Australia. The project is owned by Radio Gold Pty Ltd, a 100% owned subsidiary of Resources & Energy Group (ASX:REZ) (“REZ”). The terms of the conditional acquisition are detailed in the announcement dated 4 September 2019 titled “Acquisition of Radio Gold Project Farm-In”. Settlement of the acquisition is conditional on the satisfaction of certain conditions precedent which are currently being completed.



Location of the Radio Project mining and exploration concessions

The Radio Project includes a high-grade gold mining operation and contiguous exploration package of 992 hectares located on the eastern side of the Southern Cross Greenstone Belt, which has historically produced over 70,000 oz of gold predominantly from quartz lodes in an underground mine. As noted, REZ announced on 3 July 2018 and included in the announcement by the Company on 4 September 2019, the project has a maiden resource as follows:

Radio Gold Mine - Resources										
Lode	Cut-off (g/t Au)	Indicated			Inferred			Total Resources		
		Kt	g/t Au	Koz Au	Kt	g/t Au	Koz Au	Kt	g/t Au	Koz Au
Main Lode	1.0	25.8	3.81	3.2	76.1	3.47	8.5	101.9	3.55	11.6
East Lode	1.0	25.5	5.33	4.2	84.4	4.72	12.8	108.9	4.85	17.0
Total		50.3	4.55	7.4	160.4	4.12	21.3	210.7	4.23	28.6

Table 1 – Radio Gold Mine JORC 2012, Mineral Resource Summary

For the purposes of ASX Listing Rule 5.8, the Company in the announcement of 4 September 2019 has provided summary of all information material to understanding the reported mineral resource estimate and Appendix 2 in compliance with Table 1 of Appendix 5A (JORC Code). The information was compiled and provided by REZ and has been independently reviewed and verified by the Company's Competent Person.

The Company confirms that it is not aware of any new data that materially affects the information included in the original announcements pertaining to this resource, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The programme is to re-open the underground workings and bring the mine back into production, utilising the shaft access to the Radio Main and East Lode at 100m, which REZ reopened and refurbished access in 2017. At the time, a sampling program was carried out, which identified high grade areas accessible for mining. From this work some 2,700t of development ore grading an average 5.8g/t Au was mined and processed at the Minjar plant. Refer to REZ ASX Announcements dated 4 June 2019 titled "Radio Gold Sampling Results, Development Ore 6.2g/t", 3 July 2018 titled "Radio Gold Maiden 2012 JORC Resource", 4 April 2019 titled "Investor Presentation Updated" and 21 August 2019 titled "Investor Presentation".

Appendix 1 – Interests in Mining Tenements Held

Project	Concession Name	Tenement	Location	Ownership at beginning of quarter	Ownership at end of quarter	Acquired During the Quarter	Disposed of During the Quarter
Berenguela Project	Berenguela	13-000001Y03	Peru	100%	100%	-	-
	Berenguela 01-09	01-01116-09					
	Berenguela 01-18	01-00819-18					
	Berenguela 02-09*	01-01115-09*					
	Berenguela 03-09**	01-01341-09**					
	Berenguela 04-09	01-01342-09					
	Berenguela 05-09	01-01344-09					
	Berenguela 06-09	01-01345-09					
	Berenguela 07-09	01-01340-09					
	Berenguela 08-09	01-01343-09					
	Berenguela 97	01-01289-97					
	Lagunillas 01-04	01-01350-04					
	Lagunillas 02-04	01-01351-04					
	Lagunillas 08-04	01-01512-04					
Picha Project	Picha 2	01-03853-05	Peru	100%	100%	-	-
	Picha 3	01-03854-05					
	Picha 7	01-00578-07					
	Leon 3	01-04638-08					

* 01-02710-04 and 01-01115-09 overlap a pre-existing and current title known as Santa Lucia 14.

** 01-01341-09 overlaps a pre-existing and current title known as Lucia Josefina I.

Appendix 2 - Summary of Expenditure Incurred per Project

Project	Quarter Cash Spend \$A'000
Berenguela Project	49
Picha Project	-
Total	49