



DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited (**Valor**) or (**the Company**) (ASX: VAL) is pleased to provide its activities report for the quarter ended 31 December 2021.

HIGHLIGHTS

Canadian Uranium – Athabasca Basin:

- ▶ Drilling program about to test exciting uranium targets at Hook Lake Uranium Project:
 - ▶ **Minimum of 2,500m of diamond drilling**
 - ▶ **The drill targets at Hook Lake are highlighted by the S Zone target where surface sampling by Valor returned assays of up to 59.2% U₃O₈**
 - ▶ **Other potential drill targets include the West Way Prospect and V-Grid**
- ▶ Data compilation underway on the other six uranium properties including Cluff Lake.

Peruvian Copper Silver:

- ▶ Systematic geological mapping and surface sampling completed for 2021 at Picha Project with assay results from 260 samples received
- ▶ Multiple significant channel and rock chip sample results from Cobremani and Maricate targets include:
 - ▶ **Channel samples of 17.6m @ 1.95% Cu and 29.5g/t Ag, 4m @ 1.38% Cu and 241 g/t Ag and 4m @ 0.97% Cu and 13.45g/t Ag at Maricate**
 - ▶ **Channel samples from Cumbre Coya of:**
 - **8m @ 1.91% Cu and 11.08 g/t Ag,**
 - **8m @ 1.41% Cu and 16.38g/t Ag,**
 - **40.5m @ 0.49% Cu and 6.37g/t Ag,**
 - **15.75m @ 0.70% Cu, 232.2 g/t Ag and 2.95% Pb,**
 - **16m @ 0.49% Cu, 188.79 g/t Ag and 8.45% Pb,**
 - **2.5m @ 4.56% Cu, 10.06g/t Ag and 5.68% Pb**
 - ▶ **Selective rock chip samples of up to 3.76% Cu and 42.8 g/t Ag at Maricate and 3.51% Cu and 549g/t Ag from Cumbre Coya**
- ▶ The IP (induced Polarisation) and ground magnetic survey was completed at the Picha Project in December, with preliminary IP data indicating a significant 1.2km x 2km geophysical anomaly which potentially represents a large porphyry copper system at depth. The final geophysical report and interpretation is due in February 2022.
- ▶ Picha project has increased in size from **20km² to 200km²** following the 2021 exploration program, with further new targets already identified, highlighting the exploration potential of the area

Corporate:

- ▶ \$5.4m raised through flow through share scheme to support exploration activities in Canada

The December Quarter saw significant progress made on both the Canadian uranium projects and the Picha Copper-Silver Project in Peru. The Company is continuing to successfully manage this dual focus by having experienced locally based geological consultants in both Canada and Peru. Their local knowledge means exploration activities are progressing efficiently and effectively on both fronts.

In Canada, the focus continues to be on the Hook Lake Project with work progressing towards drilling commencing in January 2022. At the Cluff Lake Project geological and geophysical data compilation is currently on-going, with the initial review indicating several targets for on-ground follow-up. Quotes are being prepared for a detailed airborne gravity survey at both the Hook Lake and Cluff Lake Projects and permitting for drilling at Cluff Lake will be a focus in the March quarter.

In Peru, exploration work on the Picha Project has continued to exceed expectations, with the 2021 exploration completed with all assays received and the IP and ground-based magnetic survey completed. The detailed geological mapping of the project area indicates the potential for multiple styles of mineralisation, including stratabound, carbonate replacement and porphyry style.

The company is cognisant of operating a dual focus strategy between our Athabasca Uranium and Peruvian Copper portfolios and continues to evaluate the best structure in which to maximise shareholder value.

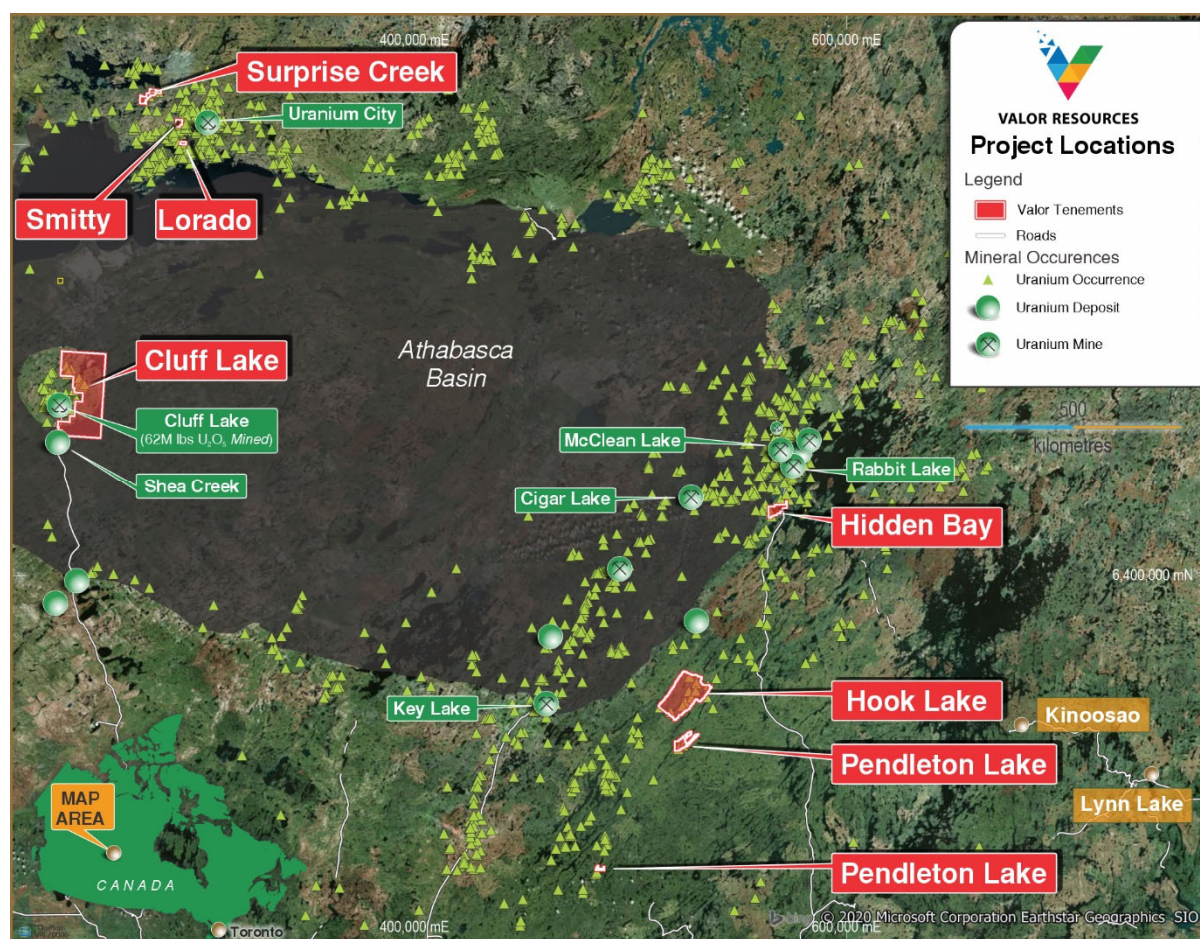


Figure 1: Valor Resources Canada Project locations



Figure 2: Valor Resources Peru Project Locations

CANADIAN URANIUM – ATHABASCA BASIN PROJECTS

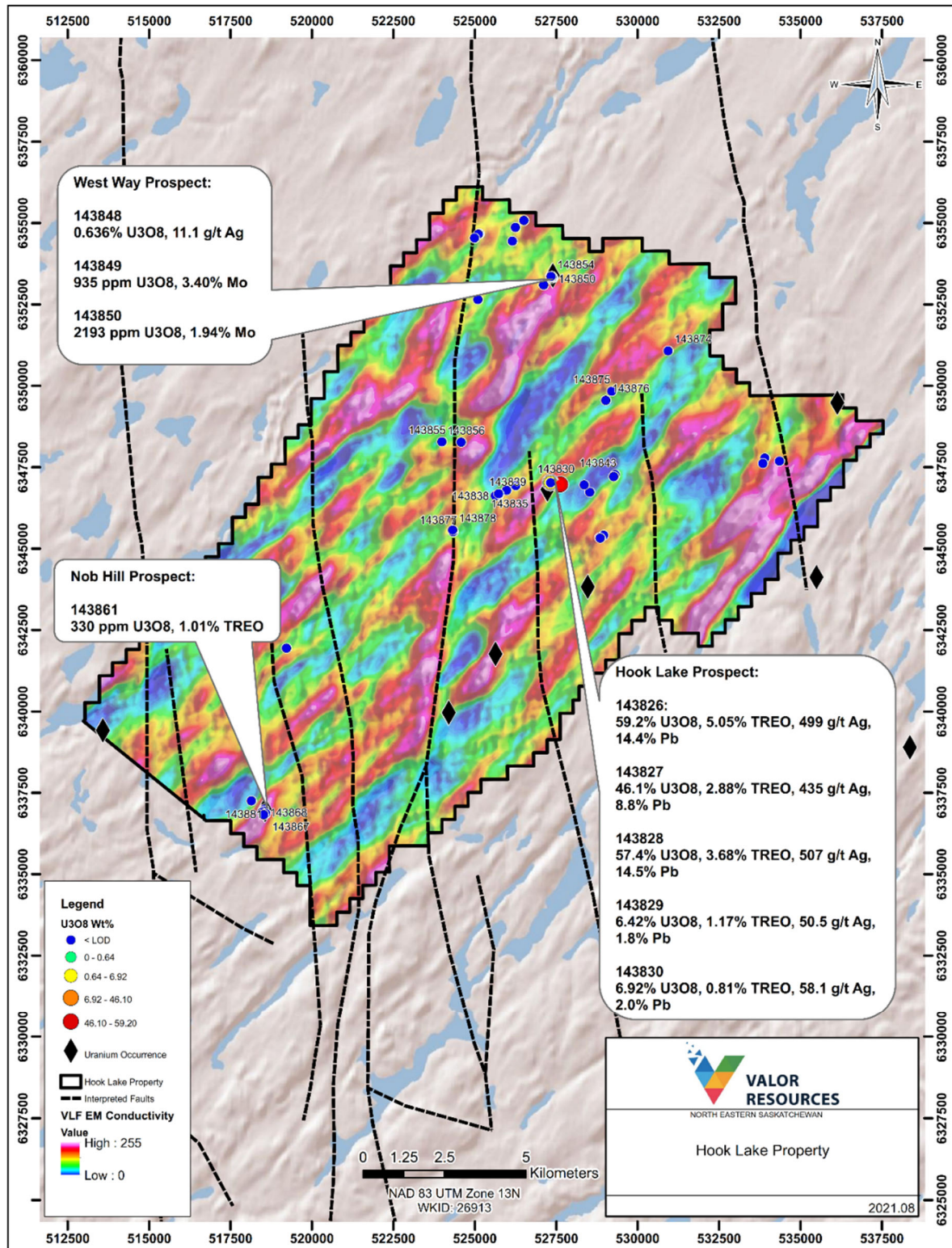


Figure 3: Significant and anomalous sample results across the Hook Lake Property

The Company's focus during the quarter has been on planning and preparing for the maiden diamond drilling program at the Hook Lake Project. The diamond drilling program will be primarily focused on the S Zone prospect where sampling by Valor in the previous quarter (see ASX:VAL report dated 31 August 2021 titled "High-grade uranium-rare earth-silver-lead results from Hook Lake field program") returned assays of:

- 59.2% U₃O₈, 499g/t Ag, 5.05% TREO, 14.4% Pb (Float)
- 57.4% U₃O₈, 507g/t Ag, 3.68% TREO, 14.5% Pb (Rock Chip)
- 46.1% U₃O₈, 435g/t Ag, 2.88% TREO, 8.8% Pb (Rock Chip)
- 6.92% U₃O₈, 0.81% TREO, 2% Pb (Rock Chip)
- 6.42% U₃O₈, 1.17% TREO, 1.8% Pb (Rock Chip)

The Hook Lake high grade uranium (and rare earth) mineralisation is interpreted to be located at a dilational trap/jog which has formed at the intersection of a northeast-southwest trending shear zone and a possible north-south trending structure (potentially a re-activated Tabbernor fault structure). Besides the downdip and down-plunge potential of the immediate Hook Lake target, there is potential for further structural targets of this nature along strike to the northeast and southwest from the Hook Lake prospect.

All necessary permits for the drilling program have been granted by the Saskatchewan Ministry of Environment and all relevant stakeholders including First Nations communities are being contacted regarding the upcoming program. Camp construction has been completed and a drilling contractor has been secured for the upcoming program.

PERUVIAN COPPER SILVER PROJECTS

The Company has completed an extensive on-ground exploration program at the Picha Project in Peru. Over the past 6 months the company has undertaken:

- ▶ Detailed mapping of the project and collected 259 channel samples and 145 rock chip samples.
- ▶ A ground magnetic survey covering 204 line km and an IP/Resistivity survey covering 57 line km
- ▶ Increased land holding from 20km² to 200km²

Systematic geological mapping and geochemical sampling of the entire project area by a team of Valor geologists has been completed. 100% of the Picha project area has now been covered by this work with assay results now received for all 404 samples collected in last six months.

The Corona Project, located approximately 45km north of Picha Project, has been reviewed, including a site visit, and no further work is currently planned.

PICHA PROJECT

Geological mapping

Geological mapping has been completed across the entire project area and the geological interpretation has been finalised. Figure 4 below shows the completed geological interpretation showing several significant NNW trending structures which are partly coincident with surface mineralisation. Also noteworthy is the large NE-SW trending structure which transects the entire project area and partly marks the contact between the Tacaza Group volcanics and the younger overlying Maure Group sediments.

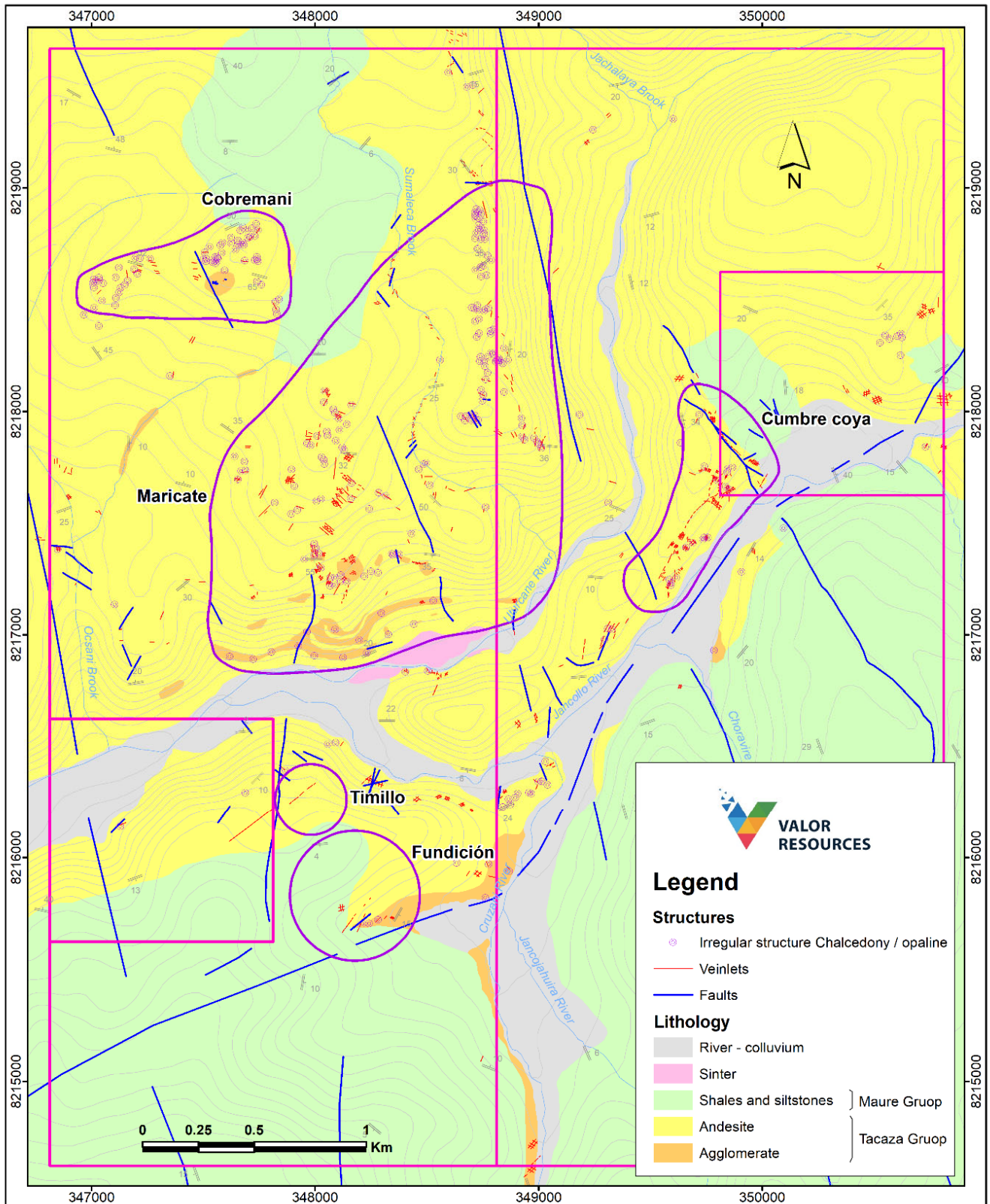


Figure 4: Picha Project – Geological interpretation

Geochemical surface sampling

Assay results from a total of 260 surface samples were received during the quarter. These are the final samples of the Company's 2021 field program at the Picha Project. The 260 samples comprised 194 channel samples and 66 rock chip samples from the Cumbre Coya, Maricate and Fundicion target areas. Results were reported in the VAL:ASX announcements dated 4th November 2021 and 17 December 2021 titled "Further high-grade copper and silver mineralisation at Picha Project" and "1.2km x 2km open geophysical IP anomaly with copper-silver mineralisation supports drill targets" respectively.

Multiple significant channel and rock chip results were received from all target areas(see Figure 5 below), including the following:

Maricate

- ▶ Channel samples of 17.6m @ 1.95% Cu and 29.5g/t Ag, 4m @ 1.38% Cu and 241 g/t Ag, 4m @ 0.97% Cu and 13.45g/t Ag and 4m @ 1.48% Cu and 12.3g/t Ag
- ▶ Selective rock chip samples of up to 3.76% Cu and 42.8 g/t Ag

Cumbre Coya

- ▶ Channel samples of 8m @ 1.91% Cu and 11.08 g/t Ag, 8m @ 1.41% Cu and 16.38g/t Ag, 40.5m @ 0.49% Cu and 6.37g/t Ag, 15.75m @ 0.70% Cu, 233.2g/t Ag and 2.95% Pb, 7.2m @ 1.18% Cu and 27.1g/t Ag and 22m @ 0.25% Cu and 6.9g/t Ag
- ▶ Channel samples of 16m @ 0.49% Cu, 188.79 g/t Ag and 8.45% Pb and 2.5m @ 4.56% Cu, 10.06g/t Ag and 5.68% Pb
- ▶ Selective rock chip samples of up to 3.51% Cu and 549g/t Ag from Cumbre Coya

Fundicion

- ▶ 0.5m @ 1.88% Cu and 80.9g/t Ag and 2m @ 0.75% Cu, 36.1g/t Ag, 1.58% Pb and 1.55% Zn

The mineralisation at Cumbre Coya is present as malachite, azurite, chrysocolla, chalcocite and galena and occurs in different ways; 1) in irregular structures associated with chalcedony-opaline silica in quartz veinlets with a consistent NE orientation, 2) in structures similar to a stockwork, such as breccia matrix and infilling fractures in the andesites of the Tacaza Group (volcanic rocks), and 3) malachite, azurite, and galena in a mantle-like structure in the Maure Group (sedimentary rocks).

The Maricate area is underlain by Tacaza Group volcanics. Alteration is present as weak to moderate argillic alteration along with silicification in the form of chalcedony. The mineralisation occurs as malachite, azurite, chrysocolla, antlerite and the sulphides chalcocite and chalcopyrite. It is associated with iron and manganese oxides and chalcedony and opaline silica. The mineralisation occurs within the andesites, agglomerates and autobreccias of the Tacaza Group volcanics.

Mineralisation at Fundicion is hosted within andesites and associated with NE oriented silica structures and within open spaces in the matrix of agglomerate units. Malachite, azurite, chalcocite and galena have all been observed in the area.

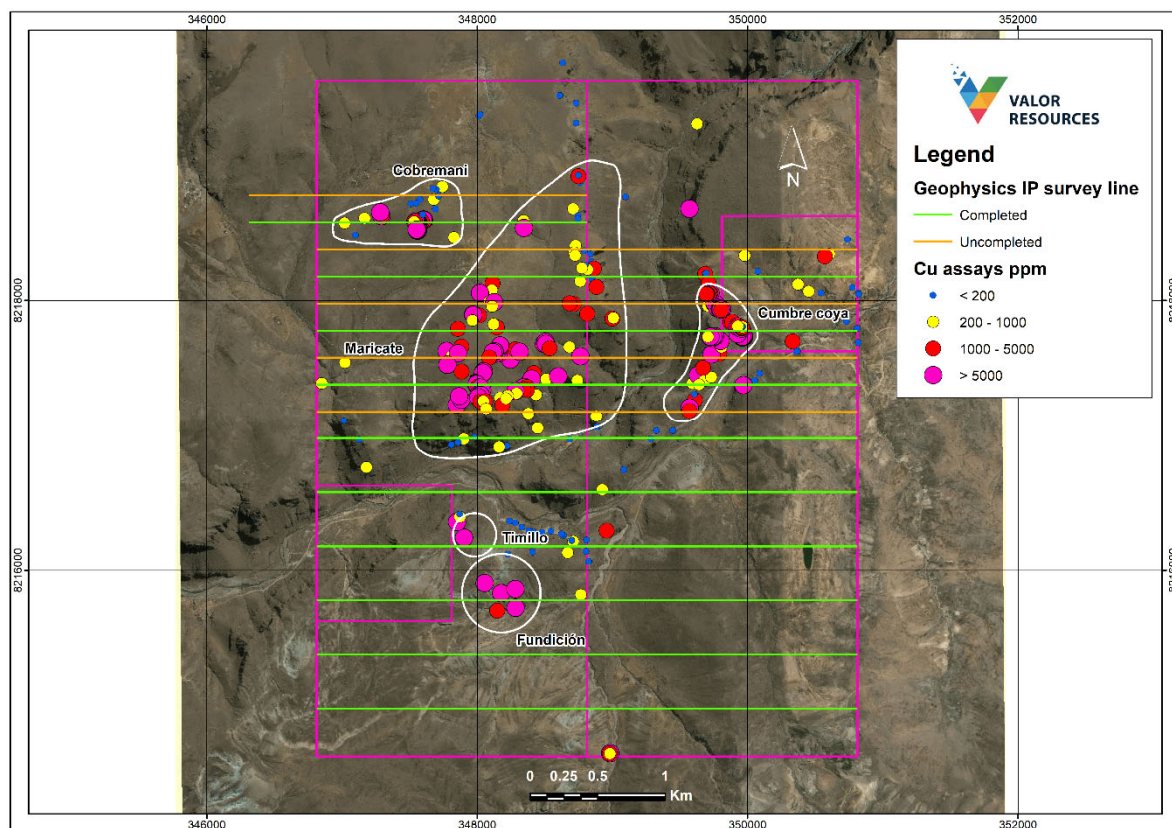


Figure 5: Picha Project – surface sampling Cu assay results – announced 17th December 2021

IP/Ground magnetic survey

An Induced Polarisation (IP)/Resistivity and ground magnetic survey was completed at the end of the quarter. The IP/resistivity survey covered a total of 57 line kilometres and the ground magnetic survey 204 line kilometres. The surveys covered most of the area of the four granted mining concessions. The final data and report are currently awaited, however the preliminary data has indicated a significant 1.2km x 2km chargeability anomaly which remains open towards the south.

The survey was initially completed on 400m spaced lines in an east-west orientation and then infilled at 200m in areas of interest. The survey methodology is a pole-multi-dipole configuration, with dipole spacings of 100, 200, 300 and 400m, and is designed to reach a greater depth than previous IP surveys.

As reported in the ASX announcement dated 3 December 2021 titled “Ground geophysics identifies potential Copper drill targets supporting surface mineralisation at Picha Project, Peru”, significant chargeability anomalies were revealed in the preliminary data from the first three lines of the survey. On the eastern end of the lines L_7776 and L_8176 (400m apart) a significant anomaly has been highlighted at depths of around 4-500m. The later ASX announcement dated 17 December 2021 titled “1.2km x 2km open geophysical IP anomaly with copper-silver mineralisation supports drill targets” highlighted the IP anomaly continuing to the south for at least another 800m (see Figure 6 below). This chargeability anomaly reflects potential sulphide mineralisation at depth and this together with the widespread surface copper anomalism suggests a large porphyry copper system. The IP anomaly represents an extensive drill target being around 2km by 1.2km in extent and still open to the south.

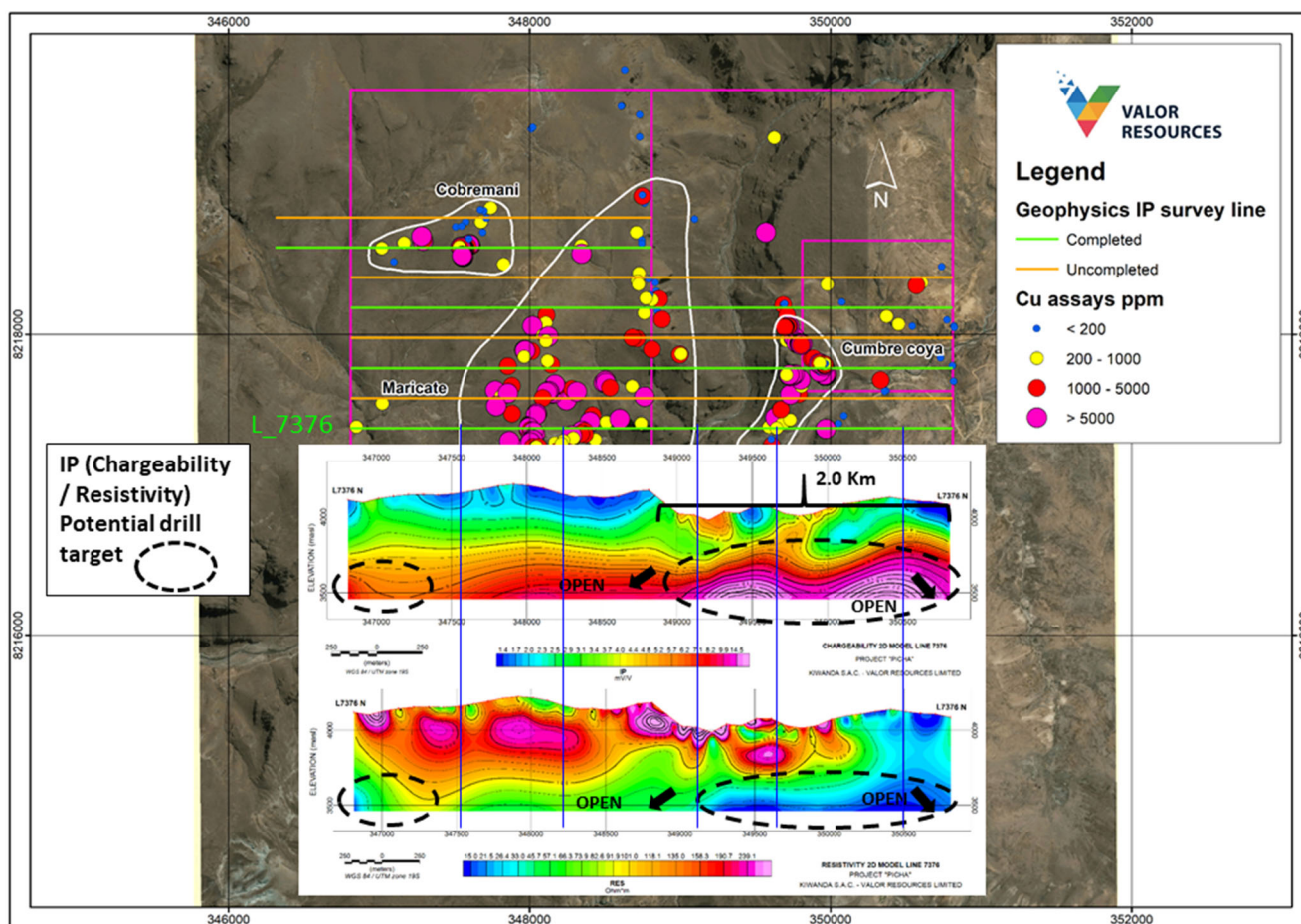


Figure 6: Picha Project IP survey section line L_7376 (aligned with plan view of surface geochemistry showing copper assay results) - announced 17th December 2021

Expanded landholding

Post the end of the quarter the Company announced it had increased the Picha Project landholding (see ASX:VAL dated 19 January 2022 titled “Copper-Silver Picha Project landholding expanded following outstanding results from 2021 exploration program”). The landholding of the Picha Project has been increased to approximately 200km² with the application for four new mining concessions to the northeast. These concessions include the new target area of Chullunquaini, where historical mine workings are located (see Figure 7 below). In addition to the new application areas, nine mining concessions have now been granted, with on-ground exploration now permitted to commence in these areas. The nine concessions granted cover an area of 78km². The remaining seven mining concessions applied for in 2021 which cover the target areas of Huancune, where sulphides have been observed within a breccia, and the newly identified targets, Ichucollo and Occsani (see Figure 7 below) are expected to be granted this year

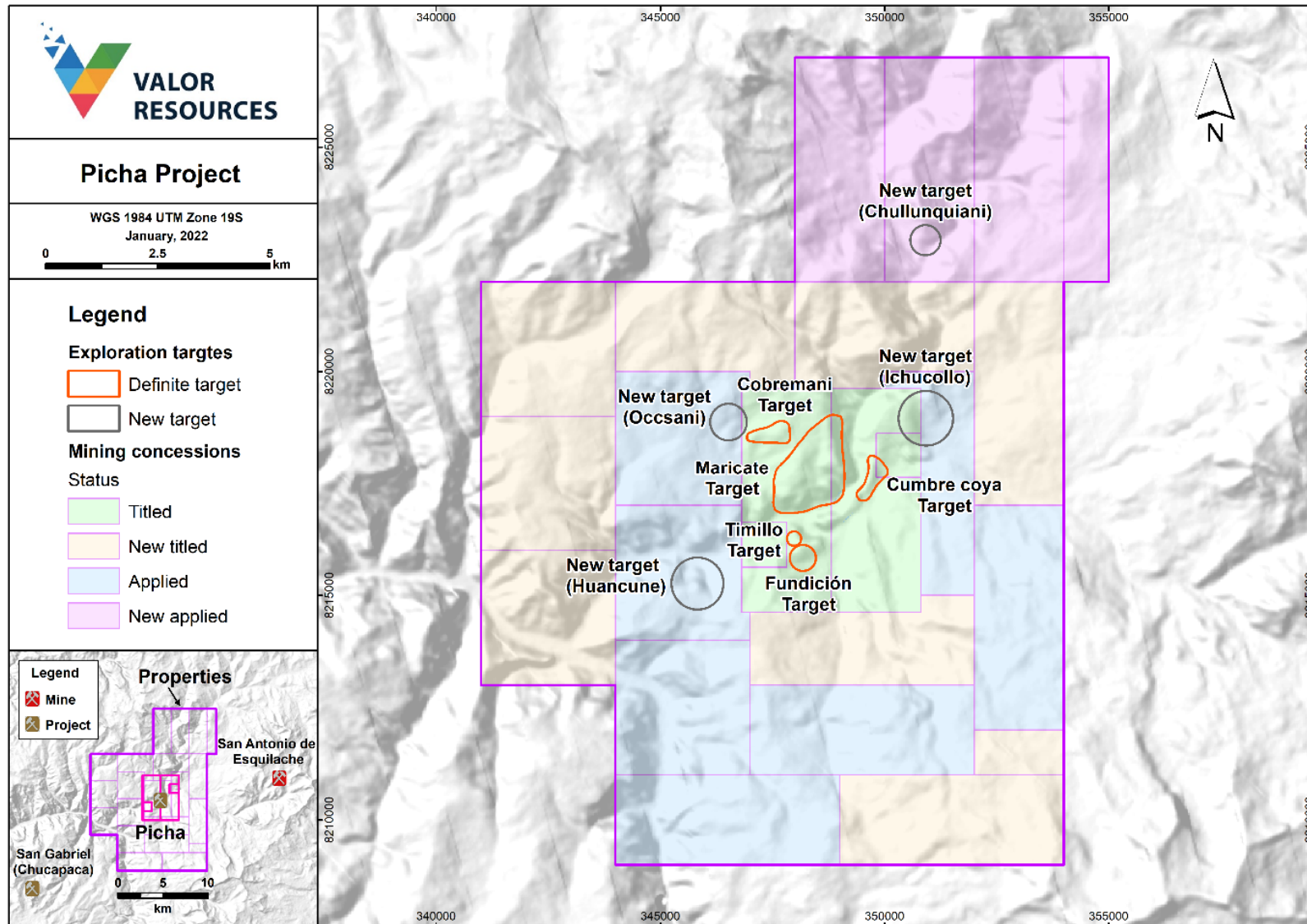


Figure 7: Picha Project – New mining concessions

EXPLORATION MODEL

The geochemical sampling results and field evidence indicates that the Picha mineralisation is similar to other copper-silver stratabound deposits in Peru and Chile which are mainly hosted in andesitic volcanics. However, there is also potential for replacement-type deposits in the sediments. The significant IP anomaly outlined by the recent IP and ground magnetic survey is considered very significant as this gives support to the potential for porphyry copper type deposits within the project area.

PROJECT OVERVIEW

The Picha project consists of 13 granted mining concessions covering 98km². It is located 127km SW of the City of Juliaca, in southern Peru, and near the village of Jesus Maria in the San Antonio de Esquilache district, province of Sanchez Cerro and the Moquegua department. A further seven concessions, which were applied for by Valor in 2021, are expected to be granted later this year. In January 2022, four new mining concessions to the northeast were applied for by the Company. This new expansion covers a total of 35km² bringing the total landholding of the Picha Project to approximately 200km².

Geologically, the Picha properties are located within the Tertiary volcanic belt of southern Peru that hosts numerous important ore deposits. In the Arequipa department, major examples include Orcopampa, Arcata, Ares, Caylloma and Sukuytambo. In the SE of the Cusco department is the polymetallic silver-rich district of Condorama and in Puno department is the Berenguela district rich in silver and copper. About 14km to the E-NE of the property is the old San Antonio de Esquilache polymetallic silver-rich mining district. The property is 17km from the San Gabriel (Chucapaca) copper-silver-gold deposit that hosts a resource of 7.5 million gold equivalent ounces. (see Valor announcement dated 23rd May 2016). Picha is also in the NW extension of the Tucari and Santa Rosa high sulfidation systems and in the SE extension of the skarn-porphyry belt that hosts the Tintaya district.

FOLLOW-UP WORK

The following work is planned for the Picha Project over the next quarter:

- ▶ Awaiting final geophysical (IP and magnetics) data and complete 3D geological interpretation
- ▶ Integrating the IP/Magnetic data, 3D geological interpretation and geochemical sampling data to finalise the drill program for the Picha Project
- ▶ Commence ground based geological mapping and sampling on the recently granted concessions
- ▶ Continue with the approval process for the drilling program, which includes community consultation, land agreements and environmental study.

CORONA PROJECT (FORMERLY KNOWN AS BERENGUELA SOUTH)

There is currently no work planned on the Corona Project.

CORPORATE ACTIVITIES

The Company was pleased to announce the \$5.4m capital raising through the Canadian flow through share scheme. This raising was undertaken with Pear Tree Capital and supported by CPS Capital. The funds raised will be used to advance the Canadian exploration program in 2022 including the Company's maiden drilling program at the Hook Lake Project.

In accordance with Listing Rule 5.3.5, Valor advises that the payments to related parties as advised in the Appendix 5B for the quarter ended 31 December 2021, pertain to director fees (A\$63,500), company secretarial fees (A\$8,250), accounting fees (\$11,778) and Administration Services (A\$7,260) paid during the quarter.

SECURITIES ON ISSUE

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

Securities	Total Issued
Fully Paid Ordinary Shares VAL	3,342,008,216
Unlisted Options @ \$0.015 expiry 11/02/2024	20,583,333
Unlisted Options @ \$0.015 expiry 03/05/2023	25,000,000
Unlisted Options @ \$0.015 expiry 30/04/2022	50,000,000
Vendor Performance Rights	333,333,333
Directors Performance Rights – Vested	135,000,000
Directors Performance Rights	60,000,000
Consultants Performance Rights	40,000,000

The Performance Rights for Vendors will vest, and be convertible into shares, on the achievement of the following performance milestones and in the following amounts:

- (i) 166,666,667 performance rights vesting on the achievement of significant mineralised intersections of not less than 10m @ >0.5% U₃O₈ or equivalent (e.g. 5m @ > 1.0% U₃O₈) within 2 years after completion; and
- (ii) 166,666,666 performance rights vesting on the identification of a mineral resource of at least 10 million pounds U₃O₈ at a cut-off grade of 0.5%

During the quarter, there were no changes to the vesting of Performance Rights for Vendors.

The Directors Vested Performance Rights must be converted into shares within 2 years of vesting, at the holder's absolute discretion. Valor will notify the ASX accordingly upon receipt of a Conversion Notice from a holder to convert the Performance Right into Ordinary Shares.

Subsequent to quarter end and following shareholder approval at the Company's Annual General Meeting held on 12 January 2022, Ms Smith was issued 15,000,000 Director Performance Rights. The Director Performance Rights outstanding at the date of the report are:

1. Mr Bauk - Tranche 4 – VAL achieves a market capitalisation of \$15m – 30,000,000 performance rights vest (For vesting to occur, the Milestones must be achieved between 1 year (11 February 2022) and 3 years (11 February 2024));
2. Mr Billingsley - Tranche 4 – VAL achieves a market capitalisation of \$15m – 15,000,000 performance rights vest (For vesting to occur, the Milestones must be achieved between 1 year (11 February 2022) and 3 years (11 February 2024));

3. Ms Smith - Tranche 1 - trading in Shares achieves a 20-day VWAP of \$0.02 and Ms Smith continues to be an officer of the Company for at least 6 months from the date of the Meeting – 7,500,000 performance rights vest (For vesting to occur, the milestone must be achieved within 3 years (13 January 2025));
4. Ms Smith - Tranche 2 - trading in Shares achieves a 20-day VWAP of \$0.025 and Ms Smith continues to be an officer of the Company for at least 12 months from the date of the Meeting – 7,500,000 performance rights vest (For vesting to occur, the milestone must be achieved within 3 years (13 January 2025)).

During the quarter, there were no changes to the vesting of Performance Rights for Consultants.

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

For further information, please contact:

Mr George Bauk
Executive Chairman

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Phone: + 61 408 931 746

ASX: VAL

ABOUT VALOR RESOURCES

Valor Resources Limited (ASX:VAL) (“Valor” or “the Company”) is an exploration company focussed on creating shareholder value through acquisitions and exploration activities. The Company is focussed on two key projects as outlined below in Peru and Canada.

Valor’s 100% owned Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha and Corona Projects located in the Moquegua Department of Peru, 17km ENE of the Chucapaca (San Gabriel – Buenaventura) gold deposit. They are two copper-silver exploration projects comprising nineteen granted mining concessions for a total of 13,830 hectares (138km²).

Valor is the 100% equity owner of the following interests:

- ▶ 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; and
- ▶ 100% equity interest in 19 contiguous mineral claims covering 62,233 hectares in northern Saskatchewan. The property is located 7km east of the former-producing Cluff Lake Uranium Mine and much of the project area is located within the Carswell geological complex that hosts the Cluff Lake Mine.
- ▶ Five additional projects within the Athabasca Basin with 100% equity interest in 12 mineral claims covering 10,512 hectares at the Surprise Creek Project, Pendleton Lake Project, Smitty Uranium Mine, Lorado Uranium Mine and the Hidden Bay Project.

COMPETENT PERSON STATEMENT

Information in this announcement relating to exploration results is based on data compiled and reviewed by Mr. Gary Billingsley, a Non-Executive Director of Valor, who is a member of The Association of Professional Engineers of Saskatchewan in Canada. Mr. Billingsley has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Billingsley consents to the inclusion of the data in the form and context in which it appears. Mr. Billingsley has reviewed calculation of measured, indicated and inferred resources referenced according to the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information reported in the original announcements.

APPENDIX

Appendix 1 - Summary of Exploration Expenditure Incurred per Project (ASX Listing Rule 5.3.1)

Details of activities undertaken contained throughout the Activities Report

Project	Quarter Expenditure \$A'000
Berenguela South	-
Picha	215
Hook Lake	340
Cluff Lake	-
Pendleton Lake	-
Surprise Creek and Others	-
Total	555

Appendix 2 - Summary of Mining Production and Development Expenditure Incurred per Project (ASX Listing Rule 5.3.2)

Nil

Appendix 3 – Interests in Mining Tenements Held (ASX Listing Rule 5.3.3)

Project	Concession Name	Tenement	Location	Ownership at beginning of quarter	Ownership at end of quarter	Acquired During the Quarter	Disposed of During the Quarter
Corona (Berenguela South)	Corona 01-18 Corona 02-18 Corona 03-18 Corona 04-18 Corona 05-18 Corona 06-18	01-01208-18 01-01209-18 01-01210-18 01-01211-18 01-01212-18 01-01213-18	Peru	100%	100%	-	-
Picha	Picha 2 Picha 3 Picha 7 Leon 3	01-03853-05 01-03854-05 01-00578-07 01-04638-08	Peru	100%	100%	-	-
Picha	Picha 01-21 Picha 02-21 Picha 03-21 Picha 04-21 Picha 07-21 Picha 09-21 Picha 11-21 Picha 12-21 Picha 14-21	01-01163-21 01-01164-21 01-01165-21 01-01166-21 01-01169-21 01-01171-21 01-01173-21 01-01174-21 01-01176-21	Peru		100%	100%	
Cluff Lake	Cluff Lake 1 Cluff Lake 2 Cluff Lake 3 Cluff Lake 4 Cluff Lake 5 Cluff Lake 6 Cluff Lake 7 Cluff Lake 8 Cluff Lake 9 Cluff Lake 10 Cluff Lake 11 Cluff Lake 12 Cluff Lake 13 Cluff Lake 14 Cluff Lake 15 Cluff Lake 16 Cluff Lake 17 Cluff Lake 18 Cluff Lake 19	MC00014073 MC00147074 MC00147075 MC00147076 MC00147077 MC00147078 MC00147079 MC00147080 MC00147081 MC00147082 MC00147083 MC00147084 MC00147085 MC00147086 MC00147087 MC00147088 MC00147089 MC00147090 MC00014096	Canada	100%	100%	-	-

Project	Concession Name	Tenement	Location	Ownership at beginning of quarter	Ownership at end of quarter	Acquired During the Quarter	Disposed of During the Quarter
Hook Lake	Hook Lake 1 Hook Lake 2 Hook Lake 3 Hook Lake 4 Hook Lake 5 Hook Lake 6 Hook Lake 7 Hook Lake 8 Hook Lake 9 Hook Lake 10 Hook Lake 11 Hook Lake 12 Hook Lake 13 Hook Lake 14 Hook Lake 15 Hook Lake 16	S-110197 S-110198 MC00011055 MC00012406 MC00013238 MC00013241 MC00013242 MC00013243 MC00013244 MC00013246 MC00013248 MC00013250 MC00013253 MC00013425 MC00013594 MC00013606	Canada	Right to Earn 80%	Right to Earn 80%		-
Pendleton Lake	Pendleton Lake 1 Pendleton Lake 2 Pendleton Lake 3 Pendleton Lake 4 Pendleton Lake 5 Pendleton Lake 6	MC00013454 MC00013494 MC00013610 MC00013616 MC00014442 MC00014443	Canada	100%	100%		-
Lorado Uranium Mine	Lorado 1	MC00014091	Canada	100%	100%		-
Smitty Uranium Mine	Smitty 1	MC00014092	Canada	100%	100%		-
Hidden Bay	Hidden Bay 1	MC00014093	Canada	100%	100%		-
Surprise Creek	Surprise Creek 1 Surprise Creek 2 Surprise Creek 3	MC00014936 MC00014937 MC00014938	Canada	100%	100%		-

Ends -----