



VALOR RESOURCES

30 April 2018

**VALOR RESOURCES
LIMITED**

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Ordinary Shares:

1,457,524,358

Options:

86,333,333 (\$0.045 – 04/12/2019)

25,000,000 (\$0.02 – 31/12/2018)

133,333,334 (\$0.004 – 15/12/2018)

MARCH 2018 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited ('VAL' or the 'Company', ASX: VAL) is pleased to provide its report for the quarter ended 31 March 2018.

Highlights:

- **80% increase in total Resources across all JORC categories, including maiden Measured Resource.**
- **37% increase in total contained copper to over 772 million pounds.**
- **37% increase in total contained silver to over 127 million ounces.**
- **Discovery of high grade, surficial copper and silver mineralisation at Corona target.**
- **Cobalt anomalies discovered at Corona.**
- **Corona assays return consistently high grades, including over 2% Cu and over 500 f/t Ag.**

MANAGEMENT COMMENTARY

Commenting on Valor's first quarter activities, Valor Chairman, Mark Sumner states: "Valor has achieved a number of important milestones in the first quarter of 2018, starting with the significant upgrade in the JORC Resource Estimate, announced in January. 2017's exploration program delivered excellent results and the company's momentum continues to build with excellent results consistently coming back since the discovery at Corona. The discovery at Corona continues to transform the project and the high-quality surface results demonstrate the potential contained within the Berenguela project. Valor is well positioned to take Berenguela through the next steps of exploration and development, with the ultimate goal of commercialising the asset."

OPERATIONAL UPDATE

Updated JORC Estimate Berenguela Project

The Company announced on 9 January 2018 a substantial increase in the size of the Berenguela Project resource through a massive expansion of Berenguela's copper and silver resources.



Berenguela Project Location: Puno Department of Peru

As outlined in the ASX announcements released on 9 January 2018 and 30 January 2018, the Company was pleased to advise an 80% overall increase in total resources, including a 37% increase in total contained copper, to over 350,257 tonnes and 37% increase in total contained silver to approximately 127 million ounces Ag. Further, the company outlined a 45% increase in total contained zinc to approximately 129,453 tonnes.

The revised estimates are a result of the Company's successful drill campaign, which will continue during 2018.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the 9 January 2018 and 30 January 2018 announcements 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 January 2018

Cut Off Grade	Class	Tonnes	Ag g/t	Cu %	Mn %	Zn %	CuEq
1.05% CuEq	Measured	5,749,988	124	1.16	10.25	0.38	1.89
	Indicated	15,676,533	111	0.94	7.02	0.38	1.61
	Med + Ind	21,426,521	115	1.00	7.89	0.38	1.69
	Inferred	4,396,298	140	0.98	3.1.0	0.24	1.73
	Total	25,822,820	119	1.00	7.07	0.35=	1.69
	Class	Tonnes	Ag g/t	Cu %	Mn %	Zn %	CuEq
0.75% CuEq	Measured	6,903,420	112	1.06	9.31	0.352	1.72
	Indicated	22,354,464	92	0.83	5.90	0.329	1.39
	Med + Ind	29,257,883	97	0.88	6.70	0.334	1.47
	Inferred	6,720,752	112	0.83	2.60	0.219	1.43
	Total	35,978,635	100	0.87	5.94	0.313	1.46

	Class	Tonnes	Ag g/t	Cu %	Mn %	Zn %	CuEq
0.50 CuEq	Measured	7,706,610	104	0.99	8.68	0.34	1.61
	Indicated	28,226,128	80	0.73	5.16	0.30	1.23
	Med + Ind	35,932,737	85	0.79	5.92	0.30	1.31
	Inferred	9,972,535	88	0.67	2.15	0.20	1.16
	Total	45,905,272	86	0.76	5.10	0.29	1.28

Contained Metal:

Cut Off Grade	Class	Ag Koz	Cu tonnes	Mn tonnes	Zn tonnes	CuEq tonnes
1.05 % CuEq	M + Ind	79,343	214,05	1,689,696	80,564	362,108
	M+Ind+Inf	99,193	257,195	1,825,673	91,155	436,406
0.75 % CuEq	M + Ind	91,176	258,640	1,960,863	97,721	430,091
	M+Ind+Inf	115,347	314,093	2,136,052	112,613	525,288
0.50 % CuEq	M + Ind	99,727	283,150	2,125,42	109,236	470,719
	M+Ind+Inf	127,909	350,257	2,339,333	129,453	587,587

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\$17.23

C = Conversion of tonnes to ounces, 1 tonne = $10^6/31.1035=32,151$ ounces

ReAg = Expected recovery of silver = 50%

Cu P = Copper price at US\$7,202. per tonne

ReCu = Expected recovery of copper = 85%

Zn% = Zinc Grade %;

Zn P = Zinc price = US\$3,377 per tonne;

ReZn = Expected recovery of zinc = 80%

The metals price assumptions were calculated using spot prices taken from the London Metals Exchange (LME) on Friday, 5th January 2018.

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.

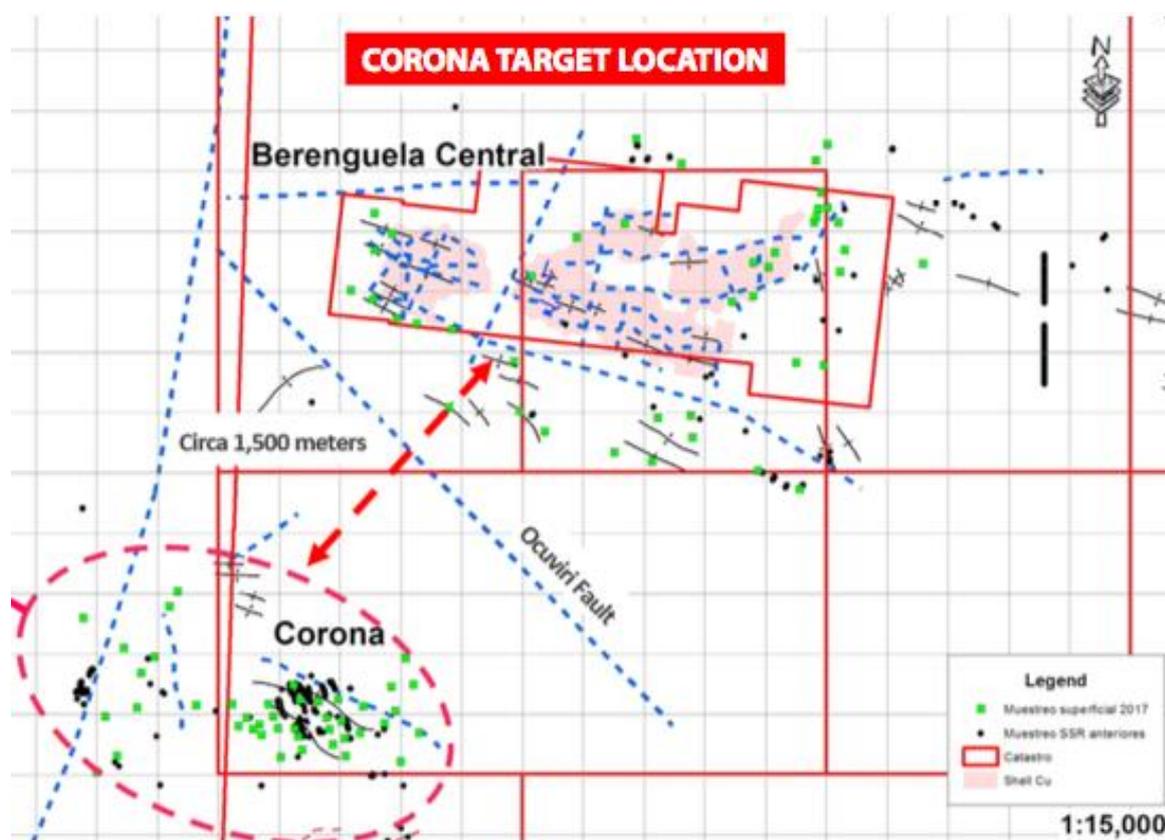
Berenguela Sampling Results

As announced 8 March 2018, the Company was pleased to report the delineation of high grade copper and silver mineralisation at surface extending beyond the current borders of the Berenguela Central deposit, and reinforcing the potential for a significant expansion of the current strike length of the Berenguela deposit. Berenguela drilling is expected to commence in May of 2018.

Berenguela Central sampling results yielded 19 samples with over 0.50% Cu and 12 samples over 50 g/t Ag. Copper grades in the western limb were as high as 1.34% with silver grades in the 40-50 g/t range. The southern border of Berenguela Central returned copper values as high as 0.81% Cu with multiple samples over 0.50% Cu, silver grades were as high as 62 g/t Ag. The eastern zone of Berenguela Central returned copper values as high as 0.81% Cu and silver values as high as 166 g/t Ag. Further high-grade copper and silver mineralisation at surface within the Corona project area continues to materialise.

Corona Overview and Sampling Results

As announced 27 February 2018, the Company was pleased to report the first results of the surface sampling campaign at Corona. The Company identified significant high grade mineralisation at surface, southwest of Berenguela Central, within the Berenguela concession package, in an area called 'Corona'. This discovery indicates a possible significant extension to the existing Berenguela central deposit. Drill permitting for Corona target is underway.



Corona Target Location

Corona is a target approximately 1,500 metres from Berenguela Central, separated by the Ocuwiri Fault. Corona shows significant outcropping rock formations with geological and mineralogical characteristics similar to Berenguela Central. A total of 42 rock chips were taken from the Corona area, with 13 returning values of 2.00% Cu, with multiple values above 1% and maximum copper values of 2.79% Cu. A total of 13 samples returned 250 g/t Ag with values as high as 431 g/t Ag. The current strike length of Corona is approximately 1,350 metres NW-SE, and approximately 1,000 metres across North to South.

As announced 26 March 2018, the Company reported the discovery of a significant cobalt anomaly at the Corona prospect in Peru. The first cobalt assays showed that increasing cobalt grades at surface were associated with a significant geophysical anomaly at approximately 100 metres depth. Further high-grade copper and silver mineralisation at surface within the Corona project area continues to be confirmed.

Next Steps

The Company has expanded the surface sampling campaign in order to delineate the extent of the mineralisation at Corona. A detailed geological mapping exercise is underway, along with additional surface sampling moving to the southwest of the Corona area. This will continue to expand drilling potential at Corona in the 2018 campaign, which is scheduled to start in May. A steady stream of assays from ongoing sampling at Corona, and extensions to Corona and Berenguela will continue to be reported.

CORPORATE UPDATE

On 10 January 2018, the Company issued 7,038,354 Ordinary Fully Paid Shares in the Company pursuant to the Company's Employee Share Plan approved by shareholders at the Annual General Meeting held on 30 November 2017.

Further to ASX Announcements dated 16 November 2017, 11 January 2018 and 6 February 2018, the Company established a share sale facility for holders of fully paid ordinary shares in the Company valued at less than \$500. The share sale facility closed on 5 February 2018 and the final number of shares eligible to be sold under the Facility was 1,688,310 ordinary shares from 342 shareholders. Sale of the shares under the facility was completed at a price per share of \$0.016 and sale proceeds have been paid to the eligible shareholders.

On 2 February 2018, the Company provided an update to the terms of the acquisition of Berenguela Project ("Acquisition") from SSR Mining Ltd ("SSR"), which settled in May 2017. As part of the terms of the Acquisition it was agreed that the Company would raise a minimum of US\$8 million to adequately fund the initial phases of the Project ("Capital Raising") and that the Capital Raising would be completed by 13 February 2018 ("End Raising Date"). Due to the outstanding success of the Company's recent exploration program at Berenguela, as well as the Company successfully raising approximately A\$6.25 million (circa US\$4.8 million) in the past 12 months, SSR and the Company agreed to extend the End Raising Date until 13 November 2018 ("Amendment").

Under the terms of Acquisition, SSR was granted the ability to maintain, by way of a right to participate in any issue of shares or to subscribe for shares, its 9.9% fully diluted interest ("Top Up Right") prior to completion of the Capital Raising. The shares to be issued under the Top Up Right are to be issued for nil consideration by way of deferred consideration and the ASX granted a revised waiver of ASX Listing Rule 6.18 which allows shares issued to SSR under the Top Up Right to be issued for nil consideration until the Capital Raising completes on or before 13 November 2018 was granted ("New Waiver"). Further details regarding the New Waiver are included in the announcement dated 2 February 2018.

The Company announced the appointment of a new Non-Executive Director, Dr. Nicholas Lindsay on 19 February 2018. Dr. Lindsay has over 30 years' experience in the global mining industry with strong exposure in South America. Further to senior roles in Peru, Chile and Argentina, he has also held positions in the Former Soviet Union, South Africa and Australia. Dr. Lindsay has a BSc Honours degree in geology and an MBA from the University of Otago (New Zealand), and a PhD from the University of the Witwatersrand (South Africa). Dr Lindsay is also a member of the AusIMM and the Australian Institute of Geoscientists.

Competent Person's 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.

Appendix 1 – Interests in Mining Tenements Held

Project	Tenement	Location	Ownership at beginning of quarter	Ownership at end of quarter	Acquired During the Quarter	Disposed of During the Quarter
Berenguela Project	13-000001Y03	Peru	100%	100%	-	-
	01-01116-09					
	01-01115-09					
	01-01341-09					
	01-01342-09					
	01-01344-09					
	01-01345-09					
	01-01340-09					
	01-01343-09					
	01-01289-97					
	01-01350-04					
	01-01351-04					
	01-01512-04					
	01-02710-04					
Picha Project	01-03852-05	Peru	100%	100%	-	-
	01-03853-05					
	01-03854-05					
	01-00578-07					
	01-04638-08					

Appendix 2 - Summary of Expenditure Incurred per Project

Project	Quarter Cash Spend \$A'000
Berenguela Project	363
Picha Project	-
Total	363