

ASX Release

23 April 2019

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Directors

Brian McMaster
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Company Secretary

Paula Smith

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

MARCH 2019 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited (**Valor**) or (**the Company**) (ASX: VAL) is pleased to provide its report for the quarter ended 31 March 2019.

QUARTER HIGHLIGHTS

- Joint Venture Option Agreement signed with Kennecott Exploration Company (**KEX**), part of the Rio Tinto group.
- PFS ongoing with validation testwork in progress.
- Field activities including mapping and continued core logging, as well as infrastructure upgrades in preparation to start drilling on the Berenguela mineral system.

OPERATIONAL UPDATE

Berenguela Project (“the Project”)

The basic concept for the Berenguela project is a shallow open pit mine with low strip ratio and treatment based on conventional reductive acid-leach processing technology, to generate a product mix of copper cathode, manganese metal and sulphate, and silver bullion. The Company remains focused on that outcome, with continued validation testwork at a laboratory in Australia as part of the pre-feasibility study.

Subsequent to the agreement with KEX, a team was mobilised to work with Valor in preparation for deep drilling of the Berenguela mineral system. Work over the quarter includes technical preparation through re-logging existing drill-core including the application of pXRF, SWIR, mineral mapping and detailed geochemistry, continued detailed mapping of surface exposures, community consultation, infrastructure upgrades, and modifications of existing permits to take into account upscaling of the exploration program. Commencement of drilling is planned for late May 2019.

CORPORATE UPDATE

As announced to the ASX on 14 January 2019, the Company signed a Joint Venture Option Agreement with KEX, part of the Rio Tinto group, in respect of the Berenguela Project. The key terms of the agreement are:

- KEX paid US\$700,000 in February 2019 to cover the instalment due and payable to SSR Mining Inc. The funds were received on 5 February 2019 from KEX and remitted to SSR Mining Inc on 8 February 2019.
- KEX to actively spend US\$2 million on exploration expenditure on the Project over the next 12 months (**Initial Expenditure**). During this time, KEX will be solely responsible for designing and implementing the exploration program. Any assistance required from the Company will be reimbursed at cost plus 10%.
- Following the satisfaction of the Initial Expenditure, KEX can exercise an option to form a 50:50 incorporated joint venture with Valor in respect of the Project on payment of an additional US\$3 million to Valor (**JV Option**). After the formation of the JV, all costs, management, and decision making will be shared pro rata.
- Following the JV Option, KEX has a further option to solely fund an additional US\$5 million on the Project within three years to earn an additional 25% in the joint venture.

POST QUARTER END EVENTS

The Company announced on 2 April 2019, the establishment of a Share Sale Facility for holders of fully paid shares in the Company with holdings valued at less than \$500. This sale facility will close on 14 May 2019.

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 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					
	Lagunillas 10-04*	01-02710-04*					
Picha Project	Picha 1	01-03852-05	Peru	100%	100%	-	-
	Picha 2	01-03853-05					
	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	137
Picha Project	2
Total	139