



**VALOR
RESOURCES**

ASX Release

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**VALOR RESOURCES
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JUNE 2017 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited ('VAL' or the 'Company', ASX: VAL) is pleased to provide its report for the quarter ended 30 June 2017.

Highlights:

- **On 3 May 2017, the Company completed the acquisition of the Berenguela Project.**
- **The Berenguela Project highlights include:**
 - **JORC Indicated Resource of 15.6 million tonnes at 132 g/t Ag and 0.92% Cu.**
 - **JORC Inferred Resource of 6 million tonnes at 111 g/t Ag and 0.74% Cu.**
 - **Approximately 6,594 hectares of exploration concessions**
 - **At-surface mineralisation.**
 - **Significant exploration upside with geophysics and step-out drill targets for resource expansion.**
- **A 9,570m drilling campaign commenced at the Berenguela Project post-quarter end.**
- **Appointment of Dr. Ernesto Lima Osorio as Chief Operating Officer as well as a number of other key technical roles.**

BERENGUELA PROJECT

During the quarter, the Company completed the acquisition of the Berenguela Project ('Berenguela') – an advanced copper, silver project in Peru – from NASDAQ-listed Silver Standard Resources Inc. ('Silver Standard') pursuant to the terms of the definitive agreement as announced on 13 February 2017 and 3 May 2017.

The Berenguela Project is located within a well-defined mineralised district of in the Puno Department of south-eastern Peru. The district hosts some of Peru's largest metals mines and world class deposits.

The Project has been extensively explored and exploited since 1906 by the Lampa Mining Company, and approximately 30,000m of drilling has been executed at Berenguela – the majority completed by Silver Standard between 2004 and 2011.

On 10 March 2017, in an announcement titled 'Mineral Resource Confirmation – Additional Information for ASX LR 5.8.1', the Company informed the market the Berenguela Project has confirmed Mineral Resources according to the JORC Code (2012) and as set out below.

The Berenguela Project highlights include:

- JORC Indicated Resource of 15.6 million tonnes at 132 g/t Ag and 0.92% Cu. 66.1 million ounces of contained silver, 317.3 million pounds of contained copper.
- JORC Inferred Resource of 6 million tonnes at 111 g/t Ag and 0.74% Cu. 21.6 million ounces of contained silver. 98.21 million pounds of contained copper.
- Approximately 6,594 hectares of exploration concessions.
- At-surface mineralisation.
- Significant exploration upside with geophysical drill targets to follow up.

DRILLING PROGRAM

Drilling at Berenguela commenced post quarter end (refer to the Company's announcement on 10 July 2017). The drilling program includes 66 drill holes for a total of 9,570 metres drilled, with target depths between 100 and 200 metres. Drill holes will be spaced on a 35x35 metre infill grid, focused on the Berenguela central deposit. The Company expects to start generating drill results in Q3.



Figure 1. Rig Inspection at Berenguela drill site

SCOPING STUDY

During the quarter, the Company commissioned Sicap Pty Ltd to conduct a scoping study in relation to the Berenguela Project.

The Company is pleased with the results of the scoping study and is of the view that the Berenguela Project presents an attractive investment proposition. The Company believes the scoping study provides a strong justification for the planned investment and work program.

CORPORATE

During the quarter, the Company disposed of interest in Brazilian subsidiary Altantica Mineracao Ltda. All deferred exploration and evaluation expenditure relating to the Brazilian subsidiary had been impaired to nil during the previous financial year.

After obtaining shareholder approval at the Company's general meeting held on 1 May 2017, the Company issued the second tranche of the placement announced on 9 March 2017, 260,000,000 fully paid ordinary shares were issued on 3 May 2017 raising \$2,600,000 (before costs).

On 2 April 2017, the Company announced the appointment of Dr. Ernesto Lima Osorio as Chief Operating Officer of the Company. Dr. Lima is responsible for overseeing operations and project development of the Company's existing and future metals projects in Peru.

During the quarter, the Company also confirmed a number of key technical appointments, including lead geologist Mr Jimmy Luna, who is currently overseeing the drilling campaign, and Mr Alejandro Nario as lead consulting metallurgist.

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.

MARCELO ANTONIO BATELOCHI (CP Brazilian, Geologist) holds a Bachelor of Honors from School of Geology at UNESP - São Paulo State University, Brazil from 1991. Mr. Batelochi has more than twenty years of experience of mineral resource evaluation across a range of commodities including copper, gold, nickel, platinum group elements, iron, bauxite and rare earth elements. Mr. Batelochi's experience includes 12 years with Rio Tinto, 4 years with Vale, 6 years with Ferrous Resources and most recently as an Independent Consultant ("MB Geologia"). Mr. Batelochi is a Member of the Australasian Institute of Mining and Metallurgy and is qualified as a Chartered Profession of Geology and Mineral Resources (Qualified to assign JORC and Ni-43101 Mineral Resource Reports).

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 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	Peru	-	100%	100%	-
Picha Project	01-03852-05 01-03853-05 01-03854-05 01-00578-07 01-04638-08	Peru	100%	100%	-	-
Primavera	850.467/02	Brazil	100%	-	-	100%
Salobo South	851.224/2011	Brazil	100%	-	-	100%

Appendix 2 - Summary of Expenditure Incurred per Project

Project	Quarter Cash Spend \$A'000
Berenguela Project	236
Picha Project	35
Total	271