
VALOR RESOURCES LIMITED

ACN 076 390 451

NOTICE OF ANNUAL GENERAL MEETING

TIME: 1.30pm AWST

DATE: 30 November 2017

PLACE: 22 Lindsay Street, Perth WA 6000

This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (8) 9200 3467

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IMPORTANT INFORMATION

VENUE

The Annual General Meeting of the Shareholders of Valor Resources Limited which this Notice of Annual General Meeting relates to will be held at 1.30pm AWST on 30 November 2017 at:

22 Lindsay Street
Perth WA 6000

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm AWST on 28 November 2017.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Valor Resources Limited will be held at 22 Lindsay Street, Perth WA 6000 at 1.30pm AWST on 30 November 2017.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial period ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **Voter**) described above may vote on this Resolution as a proxy vote if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – ELECTION OF A DIRECTOR – MR MARK SUMNER

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 3.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Mark Sumner, a Director who was appointed on 15 December 2016, retires, and being eligible, is elected as a Director.”

3. RESOLUTION 3 – ELECTION OF A DIRECTOR – MR BRIAN MCMASTER

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 3.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Brian McMaster, a Director who was appointed on 10 January 2017, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 4 – RE-ELECTION OF A DIRECTOR – MS PAULA COWAN

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 3.6 of the Constitution and for all other purposes, Ms Paula Cowan, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 125,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES – TOP UP RIGHT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 14,232,831 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPROVAL TO ISSUE CONSIDERATION OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 86,333,333 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – APPROVAL TO ISSUE SHARES – TOP UP RIGHT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 9,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.2 (exception 9(b)) and for all other purposes, approval is given for the Company to adopt the Employee Share Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either: a member of the Key Management Personnel; or a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 19 October 2017

By order of the Board

**KELLY MOORE
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial period ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company's annual financial report on its website at www.valorresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2017.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors who were in office when the directors' report (as included in the company's annual financial report for the financial year ended immediate before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

2.3 Previous Voting Results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

1 Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

2 Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

3 Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

4 The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS – MR MARK SUMNER AND MR BRIAN MCMASTER

3.1 General

Clause 3.3 of the Constitution of the Company provides that the Board may appoint a person to be a Director at any time except during a general meeting. In accordance with the Constitution and ASX Listing Rule 14.4, any person so appointed automatically retires at the next annual general meeting and is eligible for election by that annual general meeting but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Mark Sumner and Mr Brian McMaster, having been appointed as Directors on 15 December 2016 and 10 January 2017 respectively, retire in accordance with clause 3.3 of the Constitution and ASX Listing Rule 14.4 and, being eligible, seek election at the Annual General Meeting.

3.2 Qualifications and other material directorships

(a) Mr Mark Sumner

Mr Sumner is the founder and Managing Director of Kiwanda Group LLC, a US-based investment and venture capital business focused on mining and exploration projects in South America. Mr Sumner has over 10 years of experience financing and developing minerals projects including coal, phosphate rock, copper, gold and silver, primarily in South America. Prior to founding Kiwanda Group in 2008, Mr Sumner was an Investment Specialist at Madison Avenue Financial Group, a private wealth boutique in Portland, Oregon.

Mr Sumner has not held any other listed directorships over the past three years.

(b) Mr Brian McMaster

Mr McMaster is a Chartered Accountant, and has over 20 years' experience in the area of corporate reconstruction and turnaround/performance improvement. Formerly, Mr McMaster was a partner of the restructuring firm Korda Mentha and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr McMaster is currently a director of Bounty Mining Limited (appointed 29 March 2016), AIM traded Harvest Minerals Limited (appointed 1 April 2014), AIM traded

Jangada Mines plc (appointed 30 June 2015) and TSX-V traded Five Star Diamonds Limited (appointed 20 April 2017). Mr McMaster was a director of Castillo Copper Limited (appointed 31 August 2013, resigned 12 August 2015), WestStar Industrial Limited (appointed 2 December 2011, resigned 12 August 2015), IODM Limited (appointed 14 September 2012, resigned 2 October 2015), Valor Resources Limited (appointed 27 August 2014, resigned 17 March 2016), Black Star Petroleum Limited (appointed 9 August 2012, resigned 11 May 2016), Wolf Petroleum Limited (appointed 24 April 2012, resigned 17 August 2016) and Haranga Resources Limited (appointed 1 April 2014, resigned 1 June 2017). He has not held any other listed directorships in the past three years.

3.3 Independence

Mr Mark Sumner is not considered independent as he is a substantial holder and an executive Director. Mr Brian McMaster is not considered independent as in the last three years he has acted as an executive Director of the Company.

If elected the board considers that no Directors will be independent.

3.4 Board recommendation

The Board supports the election of Mr Mark Sumner and Mr Brian McMaster and recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MS PAULA COWAN

4.1 General

Clause 3.6 of the Constitution of the Company requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following their appointment, whichever is the longer, without submitting themselves for re-election.

A Director who retires by rotation under clause 3.6 of the Constitution is eligible for re-election.

Under the Constitution directors who are appointed at any time other than in a general meeting are not taken into account in deciding the rotation or retirement of Directors under clause 3.6 of the Constitution. Accordingly, Ms Paula Cowan, being the only Director eligible, retires by rotation and, being eligible, seeks re-election at the Annual General Meeting.

4.2 Qualifications and other material directorships

Ms. Cowan is a finance professional with over 12 years' experience and is presently a director of a consulting and secretarial advisory firm specialising in business advisory, consulting and back office support (finance and secretarial) to SMEs and ASX listed entities. Prior to that Ms. Cowan held senior roles in advisory firms KordaMentha and Ernst & Young. Ms. Cowan holds a Bachelor of Commerce/Law (Hons), is a qualified Chartered Accountant and a Graduate of the Australian Institute of Company Directors.

Ms. Cowan was a director of Lithex Resources Limited (appointed 29 January 2015, resigned 2 December 2016). She has not held any other listed directorships over the past three years.

4.3 Independence

Ms Paula Cowan is not considered independent as Palisade Business Consulting Pty Ltd, a company that she is a director of, is a principal professional adviser of the Company.

If re-elected the board considers that no Directors will be independent.

4.4 Board recommendation

The Board supports the re-election of Ms Paula Cowan and recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

Listing Rule 7.1A enables entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$52,343,276 (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: VAL).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) below).

The effect of Resolution 5 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.2 Technical information required by ASX Listing Rule 7.1A

(a) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(b) 10% Placement Period

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Annual General Meeting at which approval is obtained; or

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

or such longer period if allowed by ASX (**10% Placement Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current issue price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.018 50% decrease in Issue Price	\$0.036 Current Issue Price	\$0.072 100% Increase in Issue Price
Current Variable A 1,463,479,878 Shares	Shares Issued	146,347,988	146,347,988	146,347,988
	Funds raised	\$2,634,264	\$5,268,528	\$10,537,055
50% increase in Variable A 2,195,219,817 Shares	Shares Issued	219,521,982	219,521,982	219,521,982
	Funds raised	\$3,951,396	\$7,902,791	\$15,805,582
100% increase in Variable A 2,926,959,756 Shares	Shares Issued	292,695,976	292,695,976	292,695,976
	Funds Raised	\$5,268,528	\$10,537,055	\$21,074,110

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,463,139,878 Shares on issue as at the date of this Notice of Meeting comprising:
 - (a) 1,453,979,878 existing Shares as at the date of this Notice of Meeting; and
 - (b) Up to 9,500,000 Shares which will be issued if Resolution 9 is passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may seek to issue the Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) non-cash consideration for the acquisition of new resources, assets and investments including previously announced acquisitions. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised for an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities pursuant to the 10% Placement Capacity.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company including, but not limited to, the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The recipients of Equity Securities under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its previous annual general meeting held on 30 November 2016.

The Company has issued no Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 15 November 2016, the Company otherwise issued a total of 1,061,063,360 Shares and 133,333,334 Options which represents approximately 232.86% of the total diluted number of Equity Securities on issue in the Company at 15 November 2016 which was 512,916,518.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Voting Exclusion**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES – PLACEMENT

6.1 General

On 19 September 2017, the Company announced a placement of 125,000,000 Shares at \$0.025 per Share to raise approximately \$3,125,000 (**Placement**).

CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS Capital Group Pty Ltd**) was engaged as the lead manager and broker to the Placement.

On 2 October 2017, the Company issued the 125,000,000 Shares pursuant to its capacity under ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 125,000,000 Shares (**Ratification A**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in an Annual General Meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Ratification A:

- (a) 125,000,000 Shares were issued;
- (b) the issue price of the Shares was \$0.025 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of CPS Capital Group Pty Ltd. None of these subscribers are related parties or associates of the Company; and
- (e) the Company used the funds raised from the offer for furthering the Berenguela Project and working capital.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES – TOP UP RIGHT

7.1 General

In accordance with the terms for the acquisition of the Berenguela Project, which completed on 3 May 2017, the Company is required to raise at least \$US8 million within the first year following the execution of the acquisition agreement (**Required Capital Raisings**). The funds raised under the Placement forms part of that Required Capital Raising amount.

Accordingly, as part consideration for the acquisition of the Berenguela Project, the vendor, SSR Mining Inc (previously named Silver Standard Resources Inc) (**SSR Mining Inc.**), is entitled to be issued such number of shares as would result in SSR Mining Inc. maintaining a voting power in the Company of 9.9% (on a fully diluted basis) concurrently with any issue of Shares pursuant to the Required Capital Raisings (**Top Up Right**). Accordingly, following the finalisation of the Placement, on 2 October 2017, 14,232,831 Shares were issued to SSR Mining Inc. pursuant to the Top Up Right. The Shares were placed using the Company's existing 15% placement capacity under ASX Listing Rule 7.1.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 14,232,831 Shares (**Ratification B**).

A summary of ASX Listing Rule 7.1 and 7.4 is set out in section 6.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification B:

- (a) 14,232,831 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of part consideration under the terms of the acquisition of the Berenguela Project;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to the vendor of the Berenguela Project, SSR Mining Inc. who is not a related party of the Company; and
- (e) the Shares were issued for nil consideration.

8. RESOLUTION 8 – APPROVAL TO ISSUE CONSIDERATION OPTIONS

8.1 General

As stated above at section 7.1, CPS Capital Group Pty Ltd acted as lead broker and manager of the Placement.

As part consideration for the lead broker and manager services provided, the Company agreed to issue CPS Capital Group Pty Ltd or its nominee, 86,333,333 Options at an issue price of \$0.000001 per Option (**Consideration Options**) subject to Shareholder approval.

All Consideration Options will be issued to CPS Capital Group Pty Ltd or its nominee, none of whom are related parties or associates of the Company.

Resolution 8 seeks Shareholder to issue the 86,333,333 Consideration Options to CPS Capital Group Pty Ltd or its nominee.

A summary of ASX Listing Rule 7.1 is set out in section 6.1 above.

The effect of Resolution 8 will be to allow the Company to issue the Consideration Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Securities under Resolution 8:

- (a) the maximum number of Options to be issued is 86,333,333 Options;
- (b) the Consideration Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that all of the Consideration Options will be issued on the same day;
- (c) the Consideration Options were issued for \$0.000001 cash consideration in satisfaction of services performed for the Company;
- (d) the Consideration Options will be issued to CPS Capital Group Pty Ltd or its nominee. None of the recipients are related parties of the Company.

The Company confirms that no Shares to be issued on exercise of the Consideration Options are to be issued to any party where it would have the effect of increasing that party's (and its associates') Voting Power in the Company above 20%, unless the Company obtains further Shareholder approval for the purpose of section 611 (Item 7) of the Corporations Act or the issue is otherwise permitted by a relevant exception under the Corporations Act;

- (e) the Consideration Options will be issued on the terms set out in Schedule 2 to this Notice of Meeting; and
- (f) \$86.33 will be raised from the issue of the Consideration Options as the Consideration Options are being issued as part of the consideration for the broker services provided to the Company by CPS Capital Group Pty Ltd.

9. RESOLUTION 9 – APPROVAL TO ISSUE SHARES – TOP UP RIGHT

9.1 General

As stated above at section 7.1, in accordance with the terms of the acquisition of the Berenguela Project, SSR Mining Inc. was given a Top Up Right. Accordingly, following the issue of the Consideration Options set out in section 8 above, the Company will need to issue up to approximately 9,500,000 Shares to SSR Mining Inc. pursuant to the Top Up Right (**Top Up Shares**).

Resolution 9 seeks Shareholder approval to issue up to 9,500,000 Top Up Shares to SSR Mining Inc.

A summary of ASX Listing Rule 7.1 is set out in section 6.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Top Up Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Technical information required by ASX Listing Rule 7.1

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Securities under Resolution 9:

- (a) the maximum number of Top Up Shares to be issued is 9,160,000;
- (b) the Top Up Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in satisfaction of consideration under the terms of the acquisition of the Berenguela Project;
- (d) the Top Up Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Top Up Shares will be issued to SSR Mining Inc. who is not a related party of the Company; and
- (f) the Top Up Shares will be issued for nil cash consideration pursuant to the acquisition terms of the Berenguela Project, accordingly no funds will be raised.

10. RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE PLAN

Resolution 10 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in section 6.1 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary +61 8 9200 3467. Shareholders are invited to contact the Company if they have any queries or concerns.

11. ENQUIRIES

Shareholders should contact the Company Secretary on +61 8 9200 3467 if they have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.1.

10% Placement Period has the meaning given in Section 5.4.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

AWST means Western Standard Time as observed in Perth, Western Australia.

Berenguela Project means the Company's 100% held advanced stage copper, silver and manganese project located in the Puno region of south eastern Peru. The Berenguela Project consists of 14 mineral concessions totalling 6,594 hectares, approximately 50km west of the city of Juliaca and 6km north east of the town of Santa Luciaing.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Valor Resources Limited (ACN 076 390 451).

Consideration Options means the Options to be issued in part consideration for the services of CPS Capital Group Pty Ltd on the terms set out in Schedule 2.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the current directors of the Company.

Employee Share Plan means the employee incentive scheme proposed to be adopted by the Company subject to Shareholder approval under Resolution 10 the terms of which are set out in Schedule 3.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Statement means the explanatory statement to the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Related Party Share means a Share granted pursuant to Resolutions 8 to 10.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Section means a section of the Explanatory Statement unless indicated otherwise.

Securities means Share and/or Options.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share in the Company.

SSR Mining Inc. means SSR Mining Inc. (a company incorporated in Canada) (NASDAQ:SSRI) (TSX:SSO).

Voting Power means the voting power determined in accordance with Section 610 of the Corporations Act.

VWAP means volume weight average price.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 30 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue & Appendix 3B – 2 December 2016	15,416,686	Shares ²	Tranche 2 of Placement to sophisticated investors per announcement lodged with the ASX on 5 August 2016.	\$0.003 per share (40% discount to market price on 2 December 2016)	Cash. Funds raised towards working capital. Amount raised: \$46,250 Amount spent: \$46,250
Issue & Appendix 3B – 2 December 2016	36,000,000	Shares ²	Related party creditors pursuant to the Notice of Annual General Meeting lodged with the ASX on 26 October 2016.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 15 December 2016	60,666,666	Shares ²	Tranche 1 of Placement to sophisticated investors per announcement lodged with the ASX on 15 December 2016.	\$0.003 per share (50% discount to market price on 15 December 2016)	Cash. Funds raised towards working capital. Amount raised: \$182,000 Amount spent: \$182,000
Issue & Appendix 3B – 15 December 2016	91,824,527	Shares ²	Creditors pursuant to the Notice of Annual General Meeting lodged with the ASX on 26 October 2016.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 15 December 2016	133,333,334	Shares ²	Acquisition of the Picha Copper Project pursuant to the Notice of Annual General Meeting lodged with the ASX on 26 October 2016.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 15 December 2016	133,333,334	Unlisted Options with an exercise price of \$0.004 and expiry date of 15 December 2018	Acquisition of the Picha Copper Project pursuant to the Notice of Annual General Meeting lodged with the	No issue price (Nil cash consideration)	Nil cash consideration. Current value ⁴ = \$0.0218 per option

			ASX on 26 October 2016.		
Issue & Appendix 3B – 31 January 2017	105,999,999	Shares ²	Tranche 2 of Placement to sophisticated investors per announcement lodged with the ASX on 15 December 2016.	\$0.003 per share (40% discount to market price on 31 January 2017)	Cash. Funds raised towards working capital. Amount raised: \$318,000 Amount spent: \$318,000
Issue & Appendix 3B – 28 February 2017	8,175,000	Shares ²	Satisfaction of amounts owed to creditors as approved at Annual General Meeting held on 30 November 2017.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 9 March 2017	50,000,000	Shares ²	Tranche 1 of Placement to sophisticated investors per announcement lodged with the ASX on 9 March 2017.	\$0.01 per share (24% discount to market price on 9 March 2017)	Cash. Funds raised towards working capital. Amount raised: \$500,000 Amount spent: \$500,000
Issue & Appendix 3B – 3 May 2017	260,000,000	Shares ²	Tranche 2 of Placement to sophisticated investors per announcement lodged with the ASX on 9 March 2017.	\$0.01 per share (premium of 10% to market price on 3 May 2017)	Cash. Amount raised: \$2,600,000 Amount spent: \$2,250,000 Use of funds Funds used towards a drilling programme, sample analysis, a metallurgical processing study and updating the JORC resources estimate of the Berenguela Project. Amount remaining: \$50,000 Proposed use of remaining funds: towards working capital.
Issue & Appendix 3B – 3 May 2017	145,881,177	Shares ²	SSR Mining Inc. in consideration of the acquisition of the Berenguela Project as per the Notice of General	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share

			Meeting lodged with the ASX on 30 March 2017.		
Issue & Appendix 3B – 3 May 2017	10,000,000	Shares ²	Kiwanda Group LLC in satisfaction of corporate advisory services as per the Notice of Meeting lodged with the ASX on 30 March 2017.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 17 July 2017	3,288,900	Shares ²	Dr. Osorio in satisfaction of services provided in regards to the preliminary economic assessment for Berenguela.	No issue price (Nil cash consideration)	Nil consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 2 October 2017	125,000,000	Shares ²	Placement to sophisticated investors per announcement lodged with the ASX on 19 September 2017.	\$0.025 per share (4% discount to market price on 2 October 2017)	Cash. Funds raised towards working capital. Amount raised: \$3,125,000 Amount spent: Nil
Issue & Appendix 3B – 2 October 2017	14,232,831	Shares ²	SSR Mining Inc. in consideration of the acquisition of the Berenguela Project as per the Notice of General Meeting lodged with the ASX on 30 March 2017.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share
Issue & Appendix 3B – 2 October 2017	1,244,240	Shares ²	Dr. Osorio in satisfaction of services provided in regards to the drilling program at Berenguela.	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$0.036 per share

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: VAL (terms are set out in the Constitution).
3. Valued at \$0.036 per share, being the share price as at 17 October 2017.

4. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option.

SCHEDULE 2 – TERMS AND CONDITIONS OF CONSIDERATION OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.045 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm AWST the date that is two years after the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(n) Restriction on exercise

Notwithstanding any other terms of the Options, the Holder may not exercise Options to the extent that the Holder would, if Shares were issued upon exercise of those Options, have a relevant interest in the Company (itself and together with its associates) of greater than 20% in contravention of section 606 of the Corporations Act, unless the issue of Shares upon exercise is approved by Shareholders for the purpose of Section 611 (Item 7) of the Corporations Act or is otherwise permitted by a relevant exception under the Corporations Act.

SCHEDULE 3 – TERMS AND CONDITIONS OF EMPLOYEE SHARE PLAN

The key terms of the Employee Share Plan (**Plan**) are as follows:

1. **Eligibility:** Participants in the Plan may be directors, employees or contractors of the Company or any of its subsidiaries or any other related body corporate of the Company (**Eligible Participants**).
2. **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Plan.
3. **Invitation:** The Board may make an invitation to an Eligible Participant to participate in the Plan. The invitation:
 - (a) will invite application for the number of Shares specified in the invitation;
 - (b) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated (if any);
 - (c) will specify any restriction conditions applying to the Shares;
 - (d) will specify an acceptance period; and
 - (e) specify any other terms and conditions attaching to the Shares.
4. **Renounceability:** Eligible Participants may renounce their Invitation in favour of an associate (the Eligible Participants and their associates are each **Participants**).
5. **Restriction Conditions:** Shares may be subject to restriction conditions relating to milestones (**Milestone Conditions**) (such as a period of employment) or escrow restrictions (**Escrow Conditions**) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Conditions**).
6. **Extension of Escrow Condition:** If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Plan Shares held by the Participant will be extended by 6 months.
7. **Unfulfilled Milestone Condition:** Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:
 - (a) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act; or
 - (b) in the event that such a buy-back and cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:
 - (i) first, to pay the Company's reasonable costs in selling the Shares;
 - (ii) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant; and
 - (iii) lastly, any remainder to the Company to cover its costs of managing the Plan.
8. **Power of Attorney:** The Participant irrevocably appoints each of the Company and each Director severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.

9. **Restriction on Transfer:** Other than as specified in the Plan, Participants may not sell or otherwise deal with a Share until any Restriction Conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
10. **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
11. **Rights Attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

Appointment of Proxy

Holder Number:

STEP 1: Please appoint a Proxy

Appoint a proxy:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **1.30pm (AWST) on Thursday, 30 November 2017 at 22 Lindsay Street, Perth WA 6000** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Ratification of Prior Issue – Shares – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of a Director – Mr Mark Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Ratification of Prior Issue – Shares – Top Up Right	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of a Director – Mr Brian McMaster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval to Issue Consideration Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-Election of a Director – Ms Paula Cowan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval to Issue Shares – Top Up Right	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017

Email Address _____

HOW TO COMPLETE THIS PROXY VOTING FORM

LOGGING YOUR PROXY VOTE

This Proxy Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by 1.30pm (AWST) on Tuesday, 28 November 2017 being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting Forms received after that time will not be valid for the scheduled Meeting.

Voting Forms can be lodged:

 **BY MAIL**
Valor Resources Limited
22 Lindsay Street
Perth, WA 6000

 **BY EMAIL**
info@valorresources.com.au

 **BY FACSIMILE**
+61 8 9227 6390

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

OTHER RESOLUTIONS

Should any resolution, other than those specified in this Proxy Voting Form, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.