
VALOR RESOURCES LIMITED

ACN 076 390 451

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00am AWST

DATE: Thursday, 29 November 2018

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 11.00am AWST on Thursday, 29 November 2018 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 7.1.1.37 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 27 November 2018.

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 11.00am AWST on Thursday, 29 November 2018.

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 2018 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 2018.”

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 this 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 – DR NICHOLAS LINDSAY

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, Dr Nicholas Lindsay, a Director who was appointed on 19 February 2018, retires, and being eligible, is elected as a Director.”

3. RESOLUTION 3 – RE-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 3.6 of the Constitution and for all other purposes, Mr Brian McMaster, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – 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 in favour of this Resolution by or on behalf of 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 or 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.

5. RESOLUTION 5 – ADOPT A NEW CONSTITUTION

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

“That pursuant to section 136(2) of the Corporations Act (2001) (Cth) and for all other purposes, the Memorandum and Articles of Association of the Company be repealed and replaced with the new Constitution tabled at the General Meeting and signed by the Chair of the meeting for the purposes of identification, with effect from the close of the meeting or any adjournment of it.”

DATED: 19 October 2018

By order of the Board

**PAULA SMITH
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 2018 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 2018.

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. RESOLUTION 2 – ELECTION OF DIRECTOR – DR NICHOLAS LINDSAY

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.

Dr Nicholas Lindsay, having been appointed as Directors on 19 February 2018, retires 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

Dr Lindsay has over 30 years' experience in the global mining industry with strong exposure in South America. He has held senior roles in Chile and Australia, and managed ASX junior mining and exploration companies operating in South America. Dr Lindsay has a BSc Honours degree in geology and an MBA from the University of Otago (New Zealand), and a PhD (metallurgy & Materials Engineering) from the University of the Witwatersrand (South Africa). Dr Lindsay is also a member of AusIMM and the Australian Institute of Geoscientists.

Dr Lindsay is currently director of Lake Resources NL (appointed 18 July 2017). Dr Lindsay was previously a director of Castillo Copper Limited (appointed 21 May 2013, resigned 13 August 2015) and Paradigm Metals Limited (appointed 13 October 2014, resigned 28 June 2016). He has not held any other directorships in the past three years.

3.3 Independence

Dr Nicholas Lindsay is not considered independent as in the last year 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 Dr Nicholas Lindsay and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BRIAN MCMASTER

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, Mr Brian McMaster retires by rotation and, being eligible, seeks re-election at the Annual General Meeting.

4.2 Qualifications and other material directorships

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 AIM traded Harvest Minerals Limited (appointed 1 April 2014), AIM traded Jangada Mines plc (appointed 30 June 2015), AIM quoted Arc Minerals Limited (appointed 1 August 2017) and LSE quoted Contango Holdings Limited (appointed 26 October 2017). Mr McMaster was previously a director of Castillo Copper Limited (appointed 31 August 2013, resigned 13 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), Bounty Mining Limited (appointed 29 March 2016, resigned 8 October 2017 and TSX-V traded Five Star Diamonds Limited (appointed 20 April 2017, resigned 1 October 2017). He has not held any other listed directorships in the past three years.

4.3 Independence

Mr Brian McMaster is not considered independent as in the last three years he has acted as an executive Director 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 Mr Brian McMaster and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – 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 \$11,359,153 (based on the number of Shares on issue and the closing price of Shares on the ASX on 12 October 2018).

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 three classes of quoted Equity Securities on issue, being Ordinary Shares (ASX Code: VAL), Listed Options with an exercise price of \$0.045 expiring on 4 December 2019 (ASX Code: VALOA) and Listed Options with an exercise price of \$0.015 expiring on 31 December 2021 (ASX Code: VALOB).

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 5.2(c) below).

The effect of Resolution 4 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 4 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),

(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 4 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		
		\$0.003 50% decrease in Issue Price	\$0.006 Current Issue Price	\$0.012 100% Increase in Issue Price
Current Variable A 1,893,192,258 Shares	Shares Issued	189,319,226	189,319,226	189,319,226
	Funds raised	\$567,958	\$1,135,915	\$2,271,831
50% increase in Variable A 2,839,788,387 Shares	Shares Issued	283,978,839	283,978,839	283,978,839
	Funds raised	\$851,937	\$1,703,873	\$3,407,746
100% increase in Variable A 3,786,384,516 Shares	Shares Issued	378,638,452	378,638,452	378,638,452
	Funds Raised	\$1,135,915	\$2,271,831	\$4,543,661

*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 1,893,192,258 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 12 October 2018.

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 2017.

The Company issued 91,644,392 Equity Securities pursuant to the Previous Approval. At a General Meeting of Shareholders held on 21 September 2018, Shareholders under Listing Rule 7.4 ratified the issue of 91,644,392 Equity Securities as set out in the Notice of Meeting lodged with the ASX on 22 August 2018.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2017, the Company issued a total of 434,212,380 Shares (including 91,644,921 Ordinary Shares issued under ASX Listing Rule 7.1A and subsequently ratified by Shareholders) and 486,333,333 Options which represents approximately 56.92% of the total diluted number of Equity Securities on issue in the Company at 30 November 2017 which was 1,617,313,212.

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 5 – ADOPT A NEW CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 22 May 2000.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in 25 January 2017;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.valorresources.com.au and at the office of the Company. A copy of the Proposed Constitution 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.

6.2 Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (d) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (e) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (f) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

7. 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 5.2.

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).

Constitution means the Company's constitution.

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

Directors mean the current directors of the Company.

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.

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 2018.

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 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue & Appendix 3B - 4 December 2017	86,333,333	Listed Options with an exercise price of \$0.045 and expiry date of 4 December 2019 (VALOA)	The options were issued in satisfaction of services performed for the Company.	\$0.000001 per share	Funds used for working capital purposes. Amount Raised: \$86 Amount Spent: \$86 Current Valuation ⁴ - \$86,333
Issue & Appendix 3B - 4 December 2017	9,486,126	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 = \$56,917
Issue & Appendix 3B - 10 January 2018	7,038,354	Shares ²	Issue of shares in accordance with the terms of the Employee Share Plan approved at the Annual General Meeting on 30 November 2017 to one employee	No issue price (Nil cash consideration)	Nil cash consideration. Current value ³ = \$42,230
Issue & Appendix 3B - 15 August 2018	280,000,000	Shares ²	Placement to sophisticated investors per announcement lodged with the ASX on 6 August 2018.	\$0.01 per share (No discount to market price on 15 August 2018)	Cash. Funds raised to be used towards working capital and furthering activities on the Company's projects including the Berenguela Project. Amount raised: \$2,800,000 Amount spent: \$674,947
Issue & Appendix 3B - 15 August 2018	31,539,170	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 = \$189,235

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue & Appendix 3B - 17 September 2018	40,000,000	Shares ²	Issue of shares resulting from exercise of unlisted options with an expiry date of 15 December 2018.	\$0.004 per share (57% discount to market price on 17 September 2018)	Cash. Funds raised to be used towards working capital and furthering activities on the Company's projects including the Berenguela Project. Amount raised: \$160,000 Amount spent: \$0
Issue & Appendix 3B - 8 October 2018	20,000,000	Shares ²	Placement to certain Directors as approved by Shareholders at General Meeting held on 21 September 2018.	\$0.01 per share (No discount to market price on 8 October 2018)	Cash. Funds raised to be used towards working capital and furthering activities on the Company's projects including the Berenguela Project. Amount raised: \$200,000 Amount spent: \$0
Issue & Appendix 3B - 8 October 2018	46,148,730	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 = \$276,892
Issue & Appendix 3B - 8 October 2018	400,000,000	Listed Options with an exercise price of \$0.015 and expiry date of 31 December 2021 (VALOB)	Issue of 280,000,000 Listed Options to eligible applicants who subscribed under the Placement, issue of 20,000,000 Listed Options to Directors who subscribed under the Placement and issue of 100,000,000 Listed Options in consideration for lead manager and brokering services in relation to the Placement.	No issue price (Nil cash consideration)	Nil cash consideration. Current Valuation ⁵ - \$400,000

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 \$0.006 per share, being the closing share price as at 12 October 2018.
4. The current valuation above is calculated with the closing price of the VALOA Options on the ASX on the 12 October 2018, being \$0.001.
5. The VALOB Options commenced trading on the ASX on 10 October 2018 however no transactions have been undertaken in order to determine a closing price. The current valuation above is calculated with the bid price of the VALOB Options on the ASX on the 12 October 2018, being \$0.001.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Valor Resources Limited | ACN 076 390 451

Appointment of Proxy

Holder Number:

STEP 1: Please appoint a Proxy	<p>Appoint a proxy:</p> <p>I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at 11.00am (AWST) on Thursday, 29th November 2018 at 22 Lindsay Street, Perth WA 6000 hereby:</p> <p>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 <input style="width: 250px; height: 20px;" type="text"/></p> <p>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.</p> <p>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.</p> <p>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.</p> <p>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS</p> <p>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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.</p>												
STEP 2: Voting Direction	<p>Resolutions</p> <p>1 Adoption of Remuneration Report</p> <p>2 Election of a Director – Dr Nicholas Lindsay</p> <p>3 Re-Election of a Director – Mr Brian McMaster</p> <p>4 Approval of 10% Placement Capacity</p> <p>5 Adopt a New Constitution</p>	<p>For</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Against</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Abstain</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>									
<p><i>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.</i></p>													
STEP 3	<p>SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; border-bottom: 1px solid black;">Individual or Securityholder 1</td> <td style="width: 33%; text-align: center; border-bottom: 1px solid black;">Securityholder 2</td> <td style="width: 33%; text-align: center; border-bottom: 1px solid black;">Securityholder 3</td> </tr> <tr> <td style="border: 1px solid black; height: 25px;"></td> <td style="border: 1px solid black; height: 25px;"></td> <td style="border: 1px solid black; height: 25px;"></td> </tr> <tr> <td style="text-align: center;">Sole Director and Sole Company Secretary</td> <td style="text-align: center;">Director</td> <td style="text-align: center;">Director / Company Secretary</td> </tr> </table> <p>Contact Name..... Contact Daytime Telephone..... Date / / 2018</p> <p>Email Address _____</p>				Individual or Securityholder 1	Securityholder 2	Securityholder 3				Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Individual or Securityholder 1	Securityholder 2	Securityholder 3											
Sole Director and Sole Company Secretary	Director	Director / Company Secretary											

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 11.00am (AWST) on Tuesday, 27th November 2018 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.