



VALOR RESOURCES

29 October 2018

**VALOR RESOURCES
LIMITED**

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Directors:

Mark Sumner

Brian McMaster

Nicholas Lindsay

Paula Smith

Company Secretary:

Paula Smith

Ordinary Shares:

1,827,043,528

Options:

86,333,333 (\$0.045 – 04/12/2019)

25,000,000 (\$0.02 – 31/12/2018)

93,333,334 (\$0.004 – 15/12/2018)

400,000,000 (\$0.015 – 31/12/2021)

SEPTEMBER 2018 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited (**Valor**) or (**the Company**) (ASX: VAL) is pleased to provide its report for the quarter ended 30 September 2018.

QUARTER HIGHLIGHTS

- **Positive Scoping Study completed at Berenguela**
- **Pre-Feasibility Study (“PFS”) commenced at Berenguela**
- **Geochemical sampling from Corona West outcrop confirms the presence of high grade mineralisation**
- **Fully Subscribed Placement raised \$3,000,000 (before costs).**

OPERATIONAL UPDATE

Berenguela Project (“the Project”)

During the quarter, the Company completed the first stage of metallurgical testwork to determine the process route to treat the Project’s polymetallic ore by developing a conceptual flowsheet for the recovery of copper, silver, manganese, and zinc products.

Completion of the process flow sheet was integral to finalising the Scoping Study and placing the Project in a position to advance to the next stage of development, being a Pre-Feasibility Study (“PFS”). The basic concept is a in a shallow open pit mine with low strip ratio and treatment based on conventional acid-leach processing technology, to generate a product mix of copper cathode, manganese metal, zinc precipitate and silver bullion

On the exploration side, the assay results from rock chip sampling at Corona West confirmed the extensive presence of high grade mineralisation at surface, along a trend similar to Berenguela Central.

A decision was made by the Board to suspend exploration drilling in favour of developing the Project towards PFS, in order to leverage the strong technical fundamentals of the Project.

CORPORATE UPDATE

As announced on 6 August 2018, the Company raised \$3,000,000 (before costs) at \$0.01 per Share together with a one for one New Option for every Share issued (Placement). The New Options are exercisable at an exercise price of \$0.015 with an expiry date of 31 December 2021 and were issued following Shareholder Approval at a General Meeting held on 21 September 2018.

On 15 August 2018, the Company issued the first tranche of Shares under the Placement, being 280,000,000 Shares to unrelated investors in the Placement. The remaining 20,000,000 Shares under the Placement were subscribed for by three Directors of the Company and were issued following Shareholder Approval at a General Meeting of Shareholders held on 21 September 2018. Pursuant to the terms of the acquisition for the Project, SSR Mining was issued 31,539,170 Shares during the quarter and 46,148,730 Shares subsequent to quarter end pursuant to the Top Up Right.

The funds raised from the Placement will be used to further activities on the Company's Projects and for working capital purposes.

On 3 September 2018, the Company announced that, Dr Nicholas Lindsay had taken on additional responsibilities and was appointed Executive Director – Technical. Dr Lindsay was instrumental in the finalisation of the Scoping Study and his experience will be invaluable for the next phase of PFS development.

POST QUARTER END EVENTS

The Company announced on 24 October 2018 that SSR has waived the requirement for Valor to raise the balance of the minimum capital raising required under the terms of the Berenguela acquisition in exchange for a one-off payment of USD \$50,000 to be paid on the 3rd anniversary of the Effective Date, being 11 February 2020. Accordingly, the Company confirmed that SSR's entitlement to the Top-Up Right has now ceased.

As announced on 26 October 2018, Dr Nicholas Lindsay's role as Technical Director has been expanded to CEO, Mr Mark Sumner has resigned from the Board of Directors effective 30 November 2018 and Mr Brian McMaster will assume the role of Chairperson from that date. Mr Sumner will provide consulting services to the Company.

Appendix 1 – Interests in Mining Tenements Held

Project	Concession Name	Tenement	Location	Ownership at beginning of quarter	Ownership at end of quarter	Acquired During the Quarter	Disposed of During the Quarter
Berenguela Project	Berenguela	13-000001Y03	Peru	100%	100%	-	-
	Berenguela 01-09	01-01116-09					
	Berenguela 02-09*	01-01115-09*					
	Berenguela 03-09**	01-01341-09**					
	Berenguela 04-09	01-01342-09					
	Berenguela 05-09	01-01344-09					
	Berenguela 06-09	01-01345-09					
	Berenguela 07-09	01-01340-09					
	Berenguela 08-09	01-01343-09					
	Berenguela 97	01-01289-97					
	Lagunillas 01-04	01-01350-04					
	Lagunillas 02-04	01-01351-04					
	Lagunillas 08-04	01-01512-04					
	Lagunillas 10-04*	01-02710-04*					
Picha Project	Picha 1	01-03852-05	Peru	100%	100%	-	-
	Picha 2	01-03853-05					
	Picha 3	01-03854-05					
	Picha 7	01-00578-07					
	Leon 3	01-04638-08					

* 01-02710-04 and 01-01115-09 overlap a pre-existing and current title known as Santa Lucia 14.

** 01-01341-09 overlaps a pre-existing and current title known as Lucia Josefina I.

Appendix 2 - Summary of Expenditure Incurred per Project

Project	Quarter Cash Spend \$A'000
Berenguela Project	498
Picha Project	1
Total	499