

2 April 2019

Dear Valor Resources Shareholder,

Notice of Intention to Sell Shares of Less than a Marketable Parcel

Valor Resources Limited (**Valor** or **Company**) is pleased to announce the establishment of a share sale facility (**Facility**) for holders of fully paid ordinary shares in the Company (**Shares**) with holdings valued at less than \$500.

The Facility, which is subject to the terms and conditions set out below, will allow eligible shareholders the opportunity to sell their less than marketable shareholdings without incurring any brokerage or handling costs.

This offer applies to shareholders who were, as at the market close on 29 March 2019 (**Record Date**), holders of a less than marketable parcel. A marketable parcel of Shares is a parcel of Shares that has a market value of more than \$500. As at the Record Date, the directors of Valor (**Directors**) have determined a less than marketable parcel of Shares is any shareholding of less than 250,000 Shares based on a price of \$0.002 per Share, being the closing price of Shares on the Australian Securities Exchange on the Record Date.

Valor is offering this Facility as it provides the following benefits:

- Holders of a less than marketable parcel have the opportunity to sell their Shares without incurring a brokerage or handling cost which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The expense and administration involved in maintaining shareholders with less than a marketable parcel is reduced.

The Company has approximately 2,140 shareholders of which approximately 1,490 hold less than a marketable parcel of Shares that in aggregate represent approximately 5.26% of all issued Shares.

Our records show that you were the holder of less than \$500 worth of Shares as at the Record Date and accordingly your shareholding is eligible to participate in this Facility. You may choose to sell or retain your existing holding as explained in the options below.

1. Sell all of your Shares

If you wish to sell your Shares without incurring brokerage or handling costs, you do not need to take any action.

You may complete the Share Sale Election Form (enclosed), however even if a Share Sale Election Form is not completed, Valor is still authorised under Clause 3 of its Constitution to sell your Shares following the closing date of 14 May 2019 (**Closing Date**). Your Shares will be pooled with other Shares under this Facility and sold as soon as practicable after the Closing Date.

Valor will appoint an execution-only broker on behalf of shareholders to affect any sales under this Facility.

The price that you receive for your Shares under the Facility will be determined by when and how the Shares are sold. Valor's Directors may sell your Shares on market or in any other way they consider fair and reasonable in the circumstances. The Directors are authorised to sell all the Shares held by you at a price not less than the "Authorised Price" under the Company's Constitution, that is, the price per Share equal to the simple average of the last sale prices of the Shares quoted on ASX for each of the ten trading days immediately preceding the date of any offer received by the Company. Once all amounts for sales made by the Company under the Facility have been received, and the Shares sold, the amount received will be aggregated and paid in proportionate amounts to Shareholders who participated in the Facility. All shareholders who sell their Shares through the Facility will receive the same price per Share.

Sale proceeds will be paid to you in Australian dollars by direct credit if you complete and return the enclosed Share Sale Election Form. Non-resident holders who do not have an account with an Australian Financial Institution and those resident holders who do not return a Share Sale Election Form will be paid in Australian dollars by cheque.

There is an option on the Share Sale Election Form to choose to donate the proceeds of your sale to the Australian Red Cross. Amounts less than \$100 which remain unclaimed at the conclusion of the statutory period for unclaimed monies will be donated to the Australian Red Cross.

All costs associated with the sale of your Shares will be borne by the Company. No brokerage will be payable by you.

If your Shares are held in a CHESS holding, Valor may, after the Closing Date initiate a holding adjustment to move your Shares to the issuer sponsored sub-register for the purpose of this Facility.

Any tax consequences arising from the sale of your Shares will be your responsibility.

2. Retain your existing holding

If you wish to retain your existing holding then you must either:

- correctly complete, sign and return the enclosed Share Sale Election Form (enclosed) so that it is received by 5.00pm WST on 14 May 2019, being the Closing Date of this Facility;
- if you hold Shares in multiple holdings, arrange to have these holdings merged into one holding which has 250,000 or more Shares on the Closing Date; or
- make your own arrangements outside this Facility to purchase additional Shares so that you are the registered holder of 250,000 or more Shares on the Closing Date.

If you successfully take one of the steps above to retain your existing holding, Valor will not be entitled to sell your Shares.

3. Key dates ⁽¹⁾

Record Date	5:00pm WST on 29 March 2019
Documents mailed to all shareholders who held less than A\$500 worth of Shares on the Record Date	2 April 2019
Sale Facility Opening Date (notice period commences)	2 April 2019
Sale Facility Closing Date (last day for return of the Share Sale Election Form)	5:00pm WST on 14 May 2019

1. These dates are indicative and may change, subject to applicable legal and regulatory requirements.

Important information

Valor reserves the right to vary, delay or terminate this Facility by notice to the ASX. Valor is not bound to sell any or all of the Shares that may be available for it to sell under this Facility. In addition, the sale proceeds may differ from the market value of your Shares on the Record Date, depending on movements in the market price of the Shares and on the Company appointed broker's ability to procure purchasers.

The Company has determined the shareholders who held less than marketable parcel as at the Record Date. The Company will not have any reference to any increase in the price of Shares after the Record Date in determining whose Shares may be sold pursuant to this Facility.

As you had less than marketable parcel as at the Record Date, then unless you take one of the steps outlined in section 2 of this letter, Valor will be entitled to sell your Shares under this Facility.

None of the Directors of Valor or any other person involved in the Facility shall be liable for failure to sell the Shares or at a particular price. The price of Valor Shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "VAL".

Valor does not make any recommendation or provide any advice to you regarding whether to sell your holding under this Facility or retain your existing holding.

If you require advice as to whether to sell your Shares, please consult your legal, financial or taxation adviser.

For further information, please contact the Company on +61 8 9200 3467 between the hours of 8.30am and 5.00pm WST Monday to Friday.

Yours faithfully

On behalf of the Board of Valor Resources Limited
Brian McMaster
Chairman

Record Date: 5pm WST on 29 March 2019

Security Code: VAL

Holder Reference (SRN/HIN):

Securities Held:

LESS THAN MARKETABLE PARCEL: SHARE SALE ELECTION FORM

IMPORTANT: YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (WST) ON TUESDAY 14 MAY 2019.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

Option A: Elect Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Once logged in to the Investor Portal you will be able to access your election by clicking on the 'Offers' menu on the left-hand navigation panel.



Option B: Paper Election

Step 1: Make your election below:

A PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES


B PLEASE TICK THE BOX TO REQUEST FOR PROCEEDS TO BE DONATED TO THE AUSTRALIAN RED CROSS

C REQUEST FOR DIRECT CREDITING OF PAYMENTS – SELL YOUR SHARES
 Please provide your EFT details below.

BSB Number

Account Number

Name in which account is held (e.g.: John Smith)

 **DO NOT USE YOUR CARD NUMBER**
 If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

Note: Do not complete section A or B if you wish to retain your shares. By completing your details online OR above you are agreeing to the sale of your shares even if you tick the above box in section A or B.

Step 2: Provide your contact details:

Telephone Number

Contact Name (PLEASE PRINT)

Email Address

SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

Step 3: Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

<p>Individual or Securityholder 1</p> <input style="width: 100%; height: 40px;" type="text"/> <p>Sole Director or Sole Director & Sole Company Secretary</p>	<p>Securityholder 2</p> <input style="width: 100%; height: 40px;" type="text"/> <p>Director</p>	<p>Securityholder 3</p> <input style="width: 100%; height: 40px;" type="text"/> <p>Director/Company Secretary</p>
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INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A: RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B: DONATING YOUR SALE PROCEEDS TO CHARITY

If you wish to donate your share sale proceeds to the charity chosen by the company, please place a tick in the box provided.

C: SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A or B.

SIGNING REQUIREMENTS

- 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 must sign.
- Power of Attorney:** If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
- Companies:** To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
- Estates:** If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR SHARE SALE FACILITY FORM
This form must be received at an address given below by 5.00PM (WST) on Tuesday, 14 May 2019.
ONLINE By following the instructions overleaf
BY EMAIL Scan and email a copy of your form to corporate.actions@automic.com.au
BY FACSIMILE +61 2 8583 3040
BY MAIL Valor Resources C/- Automic GPO Box 5193 Sydney NSW 2001
BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST) Automic Level 5 126 Philip Street Sydney, NSW 2000

YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN 5.00PM (AEST) ON TUESDAY 14 MAY 2019