



VALOR RESOURCES

ASX Release

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RADIO GOLD PROJECT SALE & UPDATE ON PERU PROJECTS

Valor Resources Limited (**ASX: VAL**) (**Valor**) is pleased to announce that it has signed a conditional sale agreement (**Agreement**) with Summit Resource Holdings Pty Ltd (**Purchaser**), a wholly owned subsidiary of Nu-fortune Gold Limited, an unlisted Public Company, to acquire Valor's interests in the Radio Gold Project tenements held by its 100% owned subsidiary Bullfinch One Pty Ltd (**Bullfinch One**).

Highlights

- Total consideration of \$900,000 cash providing Valor sufficient liquidity to meet continued working capital requirements;
- Alleviates the need for Valor to raise immediate funds through debt or equity in the current challenging economic environment;
- Allows Valor to focus its exploration efforts on its existing 100% owned tenements in Peru.

Dr Nick Lindsay, CEO commented: *"Valor entered in an agreement to acquire an initial stake and then subsequently farm-into the Radio Gold Project. The Project has strong merits and Valor was pleased to own it. However, Valor was caught out by the swiftness of the deterioration in capital markets in recent weeks and as such is not in a position to continue to fund the capital required to progress the asset. Given this scenario, divesting the asset was crucial to underpinning Valor's ongoing viability and so whilst we are disappointed not to be able to progress with Radio, we are pleased we can fortify our balance sheet and weather this current environment and focus on our remaining highly prospective Peruvian assets."*

Radio Gold Project

Under the terms of the Agreement, Valor will be paid consideration of \$900,000 as follows:

- \$750,000 in the following two tranches:
 1. \$50,000 deposit which has been received; and
 2. Subject to satisfaction of the conditions precedent detailed below, \$700,000 payable within 30 days of the Agreement being executed (**Completion Date**).

- Following completion of the transaction, \$150,000 to reimburse Bullfinch One for expenses incurred on the project payable as follows from the Completion Date:
 1. \$50,000 within 3 days of completion;
 2. \$50,000 within 30 days of completion; and
 3. \$50,000 within 60 days of completion.

Valor confirms that the Purchaser is not a related party or substantial holder of the Company.

The Agreement is subject to and conditional upon:

1. the Purchaser completing its due diligence enquiries to their absolute satisfaction within 30 days and Ministerial consent being granted pursuant to the Mining Act for the transfer of Bullfinch One's tenement Interest in respect of mining lease 77/633 and miscellaneous licence 77/81 to the Purchaser.
2. A Deed of Termination being executed by all parties subject to the Radio Gold Project Farm-In Agreement (as announced to the ASX on 4 September 2019) confirming that from the Completion Date, the Farm-in Agreement is terminated by mutual agreement and each of the parties release one another from all claims, liabilities or obligations arising directly or indirectly with respect to the Farm-in Agreement.
3. The Purchaser and Radio Gold Pty Ltd, a subsidiary of Resources & Energy Group Limited (ASX:REZ) (Party to the Farm-in Agreement) entering into a Sale and Purchase Agreement for the balance of the Project tenements not owned by Valor.

Upon completion of the transaction, Valor and Bullfinch One will no longer hold any interests in the Radio Gold tenements or Project.

Berenguela Project – SSR Mining Limited Agreement

As announced on 5 and 11 February 2020 and 5 March 2020, as a result of Valor's inability to meet its ongoing cash installment obligations, SSR agreed to an amendment of the Acquisition Agreements to extend the payment date for the next cash instalment of USD \$1.8m whilst Valor and SSR prepared documentation in respect of the return of the Berenguela Project to SSR. The completion of this documentation is imminent and will reflect the transfer of the entities which hold rights to the Berenguela Project back to SSR (or its nominee) on terms where the consideration is the release and discharge of Valor's obligations under the original Berenguela agreement, including the release of outstanding amounts of USD \$10.8m owed to SSR and relevant security interests held by SSR over Valor and its assets.

Peru Projects Update and Planned Work Programme for 2020

Following the sale of the Radio Gold asset and the relinquishment of the Berenguela Project, Valor remains the 100% owner of several highly prospective land packages in Peru, known as Berenguela South and the Picha Project. Going forward, Valor intends to progress with its continued exploration programme over those assets as described below.

Berenguela South Project

The Berenguela South Project is located in the highlands of southern Peru at an elevation of approximately 4,200 metres in the vicinity of Santa Lucia, near Juliaca (Figure 1)¹. The Berenguela South tenement package consists of five granted mining concessions totalling 3,900 hectares which are held by the Company's 100% owned Peruvian subsidiary Kiwanda SAC. Additionally, Valor has one tenement application pending in the sector, comprising another 1000 hectares.



Figure 1. Location of Berenguela South project in southern Peru

Geological mapping and in-fill soil geochemical sampling in the western part of Berenguela South area is being planned based on detailed GIS interpretation of datasets received from RTME during their recent programme at Berenguela - refer ASX announcement 31 January 2020 "Berenguela copper-silver project update". Geologically the western sector of Berenguela South occurs within a north-west trending structural corridor which hosts known copper, gold and iron oxide mineralisation related to hydrothermal systems (Figure 2). This work is expected to begin in the Spring, after COVID-19 restrictions in Peru have been lifted.

¹ UTM coordinates 8,268,274mN and 331,860mE (WGS 84 zone 19)

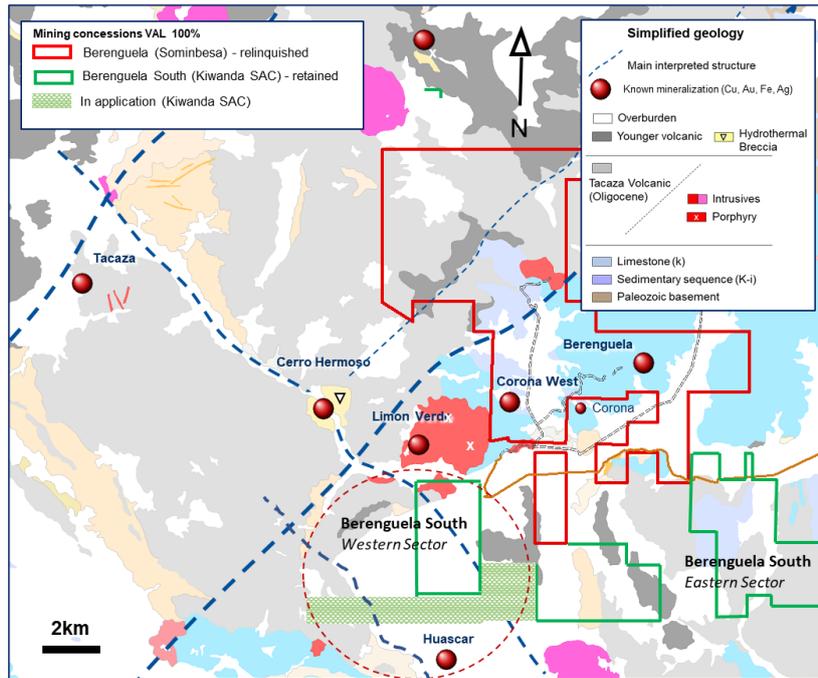


Figure 2. Berenguela South tenements – in green. Modified after RTME (2019)

Picha Project

Valor’s 100% owned Peruvian Subsidiary, Kiwanda SAC also holds the rights to the Picha Project located in the Moquegua Department of Peru, 17km ENE of the Chucapaca (San Gabriel – Buenaventura) gold deposit. Picha is a copper-silver exploration project comprising four granted mining concessions 2,000 hectares.

Picha's exploration history includes two geochemical sampling exercises and a geophysical survey, targeting near-surface copper sulphide mineralisation. Historical geochemical sampling has identified a cluster of copper values in excess of 1000 ppm copper in the centre of the property, which appears to be spatially related to old, now abandoned underground copper workings and smelter. The geophysical work comprised 158.2 line-kilometres of ground magnetic surveys and 65.5 line kilometres of induced polarisation survey. It identified chargeability and resistivity anomalies coincident with anomalous copper values at the surface.

The next phase of work on this project to be undertaken by Valor Resources in the near term is to re-interpret in detail and validate historical datasets, which will be used to plan and execute an in-fill soil sampling campaign, with the objective of preparing a drill campaign to test the geophysical anomalies for the presence of mineralisation and future drill targets.

This announcement has been authorised for release by the Board of Directors.

For further information, please contact:

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