

ASX Release

24 April 2020

VALOR RESOURCES LIMITED
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Directors

Brian McMaster
Nicholas Lindsay
Paula Smith

Company Secretary

Paula Smith

ASX Code:

VAL

Ordinary Shares:

1,920,848,085

Options:

400,000,000 (\$0.015 – 31/12/2021)



**VALOR
RESOURCES**

MARCH 2020 QUARTERLY ACTIVITIES REPORT

Valor Resources Limited (**Valor**) or (**the Company**) (ASX: VAL) is pleased to provide its report for the quarter ended 31 March 2020.

OPERATIONAL UPDATE

Radio Gold Project

On 4 September 2019, Valor announced a binding Heads of Agreement to earn an interest in the Radio Gold Mine located 40km north of Southern Cross in Western Australia (Radio Project) by acquiring 100% of the fully paid ordinary shares of Bullfinch One Pty Ltd (Bullfinch One). Bullfinch One holds a direct interest in 6.25% of the Radio Project and contractual rights to earn up to 75% interest in the Radio Project. Settlement of the transaction completed on 3 February 2020.

Subsequent to quarter end, Valor announced on 14 April 2020 that it had signed a conditional sale agreement (Sale 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 Project tenements held by its 100% owned subsidiary Bullfinch One for total consideration of \$900,000 cash.

Berenguela Project

As announced on 5 February 2020, 11 February 2020 and 5 March 2020, SSR agreed to an amendment of the Acquisition Agreement to extend the payment date for the relevant cash instalment from 11 February 2020 whilst documentation was prepared in respect of the return of the Berenguela Project to SSR.

Subsequent to quarter end, the documentation has been completed and reflects the transfer of the entities which hold rights to the Berenguela Project back to SSR (or its nominee) on terms where the consideration for the transfer is the release and discharge of Valor's obligations under the Acquisition Agreement. This includes the release of outstanding amounts of USD \$10.8m owed to SSR and relevant security interests. Subject to Peruvian regulatory requirements, settlement of the transfer is anticipated to be completed by 31 July 2020.

Picha Project & Berenguela South

As announced on 31 January 2020, Valor intends to continue its focus on developing the exploration potential of Berenguela South and the Picha Project. 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 KEX during their recent programme at Berenguela - refer ASX announcement 31 January 2020 "Berenguela copper-silver project update". The next phase of work at Picha is to re-interpret 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.

CORPORATE UPDATE

As announced on 3 February 2020, the Company issued 20,000,000 fully paid ordinary shares to Sulphide-X as consideration for the Radio Gold acquisition.

The Company lodged its Half Yearly December 2019 Financial Statements on 13 March 2020.

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

For further information, please contact:

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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 01-18 | 01-00819-18 | | | | | |
| | Berenguela 02-18 | 01-00904-18 | | | | | |
| | 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* | | | | | | |
| Berenguela South | Corona 02-18 | 01-01209-18 | Peru | 100% | 100% | - | - |
| | Corona 03-18 | 01-01210-18 | | | | | |
| | Corona 04-18 | 01-01211-18 | | | | | |
| | Corona 05-18 | 01-01212-18 | | | | | |
| | Corona 06-18 | 01-01213-18 | | | | | |
| Picha Project | Picha 2 | 01-03853-05 | Peru | 100% | 100% | - | - |
| | Picha 3 | 01-03854-05 | | | | | |
| | Picha 7 | 01-00578-07 | | | | | |
| | Leon 3 | 01-04638-08 | | | | | |
| Radio Gold Project | Radio Gold Project | ML77/633 M77/81 P77/7792 | Western Australia | - | 6.25% | 6.25% | - |

* 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 Exploration Expenditure Incurred per Project

| Project | Quarter Cash Spend \$A'000 |
|--------------------|-------------------------------|
| Berenguela Project | 10 |
| Picha Project | - |
| Total | 10 |