



AMENDMENT TO TERMS OF ACQUISITION

ASX Release

9 December 2020

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VAL

Acquisition of Canada Uranium Projects

As announced on 22 October 2020, Valor Resources Limited ("Valor" or the "Company") has entered into a binding term sheet ("Original Agreement") to acquire 100% of the issued capital of Pitchblende Energy Pty Ltd ("Pitchblende") the holder of interests in two uranium projects located in Saskatchewan, Canada ("Projects").

Following discussions with the ASX and the parties, the terms of the Original Agreement pertaining to the initial and deferred consideration ("Original Terms") have been amended ("Amended Terms") as follows:

Initial Consideration

Under the Original Terms, Valor was required to issue 583,333,333 fully paid ordinary shares ("Valor Shares") as follows:

- (a) 333,333,333 Valor Shares to Pitchblende; and
- (b) 250,000,000 Valor Shares to Skyharbour Resources Ltd ("Skyharbour") (of which 150,000,000 Valor Shares would be subject to voluntary escrow arrangements and a contractual right to cancel some or all of those shares if VAL decides not to progress the Hook Lake Project.)

Under the Amended Terms, Valor is required to issue 566,666,666 Valor Shares as follows:

- (a) 333,333,333 Valor Shares to Pitchblende (this term remains unchanged from the Original Agreement); and
- (b) 233,333,333 Valor Shares to Skyharbour which are not subject to any voluntary escrow arrangements or contractual right to cancel if VAL decides not to progress the Hook Lake Project.

Deferred Consideration

Under the Original Terms, Valor was required to pay Deferred Consideration to Skyharbour as follows:

- (a) \$75,000 on or before the first anniversary of the date of completion of the transaction (**Completion**);
- (b) \$150,000 on or before the second anniversary of Completion; and
- (c) \$150,000 on or before the third anniversary of Completion.

Under the Amended Terms, Valor is required to pay Deferred Consideration to Skyharbour as follows:

- (a) \$75,000 on or before the first anniversary of Completion ;
- (b) \$175,000 on or before the second anniversary of Completion; and
- (c) \$175,000 on or before the third anniversary of Completion.

All other material terms of the transaction remain unchanged from the ASX Announcement dated 22 October 2020.

The Amended Terms are reflected in formal agreements executed by VAL, Pitchblende and Skyharbour on 8 December 2020.

Amended Capital structure

If Shareholders approve the issues of securities as provided in the Amended Terms, the capital structure of the Company will be as follows:

	Shares	Options	Performance Rights	% (undiluted)	% (diluted)
Existing shareholders	1,920,848,085	400,000,000	-	67.88%	59.16%
Placement	266,666,667	-	-	9.42%	6.80%
Creditors	75,650,000	-	-	2.67%	1.93%
Pitchblende	333,333,333	-	333,333,333	11.78%	16.99%
Skyharbour	233,333,333	-	-	8.25%	5.95%
Bauk	-	-	120,000,000	-	3.06%
Billingsley	-	-	60,000,000	-	1.53%
Directors/Advisors	-	180,000,000	-	-	4.59%
Totals	2,829,831,418	580,000,000	513,333,333	100.00%	100.00%

As advised previously, Valor has received confirmation from the ASX that the terms of the transaction are acceptable and consistent with Chapter 11 of the ASX Listing Rules and it will not require Valor to re-comply with Chapters 1 and 2 of the ASX Listing Rules provided that:

- (a) Valor obtains relevant shareholder approvals for the issues of securities described above;
- (b) the terms of grant of performance rights are acceptable to ASX in terms of Listing rule 6.1 and Guidance Note 19 which has now been provided by the ASX;
- (c) the terms of issue of the Adviser Options are acceptable to ASX under LR 12.5; and
- (d) Valor provides a 24-month budget that demonstrates Valor's intention to continue to expend funds and progress its existing Peruvian projects (subject to access constraints arising from COVID-19) which was provided with the ASX Announcements dated 22 October 2020.

Valor is continuing to attend to the conditions precedent and is finalising the Notice of Meeting for the relevant Shareholder Approvals.

**This announcement has been authorised for release by the Board of Directors.
For further information, please contact:**

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About Valor Resources

Valor Resources Limited (ASX:VAL) (“Valor” or “the Company”) is an exploration company focussed on creating shareholder value through acquisitions and exploration activities. The Company is focussed on two key projects as outlined below in Peru and Canada.

Valor’s 100% owned Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha & Berenguela South Projects located in the Moquegua Department of Peru, 17km ENE of the Chucapaca (San Gabriel – Buenaventura) gold deposit. They are two copper-silver exploration projects comprising fourteen granted mining concessions for a total of 6,900 hectares.

On completion of the acquisition of Pitchblende, Valor will:

- (a) have the right to earn an 80% working interest in the Hook Lake Uranium Project located 60km east of the Key Lake Uranium Mine in northern Saskatchewan. Covering 25,846 hectares, the 16 contiguous mineral claims host several prospective areas of uranium mineralisation; and
- (b) own a 100% equity interest in 18 contiguous mineral claims covering 60,296 hectares in northern Saskatchewan. The property is located 7km east of the former-producing Cluff Lake Uranium Mine and much of the project area is located within the Carswell geological complex that hosts the Cluff Lake Mine.

Ends -----