

ASX Release

29 January 2021

VALOR RESOURCES LIMITED
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Directors

George Bauk
Brian McMaster
Gary Billingsley
Paula Smith

Company Secretary
Paula Smith

ASX Code:
VAL

Ordinary Shares:
1,920,848,085

Options:
400,000,000 (\$0.015 – 31/12/2021)



DECEMBER 2020 QUARTERLY ACTIVITIES REPORT

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

CORPORATE & PROJECT UPDATE

As previously announced, the documentation has been completed to transfer the entities which hold rights to the Berenguela Project back to SSR Mining Limited (SSR) (or its nominee) on terms where the consideration for the transfer is the release and discharge of Valor's acquisition obligations including the release of outstanding amounts of USD \$10.8m owed to SSR and relevant security interests. Settlement of the transfer has now been completed and Valor has no further interests in the Berenguela Project.

Valor's continues to hold the rights to the Picha & Berenguela South Projects located in the Moquegua Department of Peru through its 100% owned Peruvian subsidiary, Kiwanda SAC. Valor intends to continue its focus on developing the exploration potential of its 100% owned Berenguela South and Picha Projects, however, during the quarter a strict Covid-19 lock-down regime was applied in Peru preventing any substantive mining exploration activities being undertaken. Desktop studies have continued with the emphasis on facilitating a re-start of field activities as soon as circumstances allow.

ACQUISITION OF URANIUM PROJECTS & CHANGE OF DIRECTORS

During the quarter, Valor announced it has entered into a binding term sheet ("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"). The material terms of the acquisition are contained in the announcements dated 22 October 2020 and 9 December 2020 and in the Notice of Annual General Meeting lodged with the ASX on 23 December 2020.

In conjunction with the transaction, Valor announced the appointment of Mr George Bauk as Executive Chairman and Mr Gary Billingsley as Non-Executive Director and the resignation of Dr Nicholas Lindsay as Executive Director – Technical.

The transaction was subject to various conditions precedent which have all been satisfied including shareholder approvals. Valor anticipates settlement of the transaction to occur in early February 2021.

At the Annual General Meeting held on 29 January 2021, shareholders approved all resolutions tabled including the ratification of the appointment of the new Directors, 7.1A Mandate approval and all resolutions to give effect to the acquisition of the Projects.

HIGHLIGHTS:

- Two substantial exploration assets located within the prolific Uranium district of the Athabasca Basin covering 861km²
- Athabasca Basin has an average resource grade of 2% U₃O₈¹ and Historically the basin has produced approx. 20% of world's primary uranium supply

Hook Lake Uranium Project:

- Rock chip sampling of Hook Lake Project has returned grades of up to 68% U₃O₈
- Multiple priority targets of surface vein hosted mineralisation identified

Cluff Lake Uranium Project:

- Located within the Carswell a meteorite impact structure that is host to the Cluff Lake Open Pit Mine which produced 64Mlb U₃O₈ at an average grade of 0.92% U₃O₈² and is located directly adjacent Pitchblende's Project
- Mineralised boulders, subcrop and outcrop defined- priority targets
- CPS Capital acted as Corporate Advisor for the transaction

Board Appointments

- Appointment of highly credentialed mining professionals, Mr George Bauk as Executive Chairman and Mr Gary Billingsley as Non-Executive Director



¹Fision Uranium PDAC Presentation ² UEX Corporation, Technical Report on Shea Creek Property



Figure 1: Regional Project Location Plan

Commenting on the Agreement, Valor’s Executive Chairman, George Bauk stated: *“The acquisition of the Hook Lake Project and the Cluff Lake Project in the Athabasca Basin provides the Company with an exciting opportunity to discover uranium within a world class uranium district. Following the approval from shareholders of the transaction, the Company plans to hit the ground running with a well-planned exploration program.”*

We have strengthened the team with Gary Billingsley joining the board, a veteran in the mining industry with a geology background who lives in Saskatoon, Saskatchewan. This is a significant advantage to Valor as we manage our way through Covid-19 and having someone I have known for 15 years provides the Board with additional support whilst we have limited ability to travel overseas”

Project Overview:

Athabasca Basin, Saskatchewan

Historically, the Athabasca Basin region of Saskatchewan, Canada produces over 20% of the world’s primary uranium supply. Since 1968, 18 major uranium deposits have been discovered in the Athabasca Basin including 10 of the world’s top 15 highest-grade uranium mines, and the world’s largest uranium producer at the McArthur River Mine. Despite over 50 years of intense uranium exploration, major discoveries are still being made, with several new discoveries in recent years. Canada and the Province of Saskatchewan, in particular, continue to rank among the top mining jurisdictions in the world for investment by the Fraser Institute, and the Athabasca Basin remains the world’s premiere location for uranium exploration.

Hook Lake Uranium Project (previously referred to as Falcon Point Uranium Project):

Subject to shareholders approving the issue of 250 million shares to British Columbia-registered Skyharbour Resources Ltd (**Skyharbour**), Pitchblende will 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:

- Hook Lake/ Zone S – High grade surface outcrop with reported grades up to 68% U₃O₈(grab). Significant structural lineaments present several prospective regional targets. A bio-geochemical survey carried out over the trenches in 2015 yielded along-strike U anomalies 2 km to the northeast



Figure 2: Uranium Scree from Hook Lake Project

- Nob Hill – Fracture-controlled vein-type uranium mineralisation on surface outcrop with up to 0.13%-0.14% U_3O_8 . (grab). Diamond drilling intersected elevated uranium in several drill holes with values up to 422 ppm U over 0.5 m
- West Way - Vein type U mineralisation within a NE-trending shear zone. Grab samples taken from the surface showing contained variable uranium values including up to 0.48% U_3O_8 . Drilling of the structure intersected the altered shear zone at depth, along with anomalous Cu, Ni, Co, As, V, U, & Pb
- Grid T - Fracture-hosted secondary uranium mineralisation in sheared calc-silicates and marbles in a 100 m x 20 m zone of anomalous radioactivity with grab samples having up to 800 ppm U
- Alexander Lake Boulder Field – 30 biotite-quartz-k-feldspar pegmatite boulders NE of Alexander Lake. The best results include: 360 ppm U, 1,400 ppm U and 1,600 ppm U respectively
- Thompson Lake Boulder Field – Numerous radioactive boulders and blocks of pegmatized meta-arkose, pegmatite, and granite. The best value obtained was 738 ppm U from a granite boulder
- NE Alexander Lake – Several calc-silicate, plagioclase-quartz granulite, quartzite, and meta-arkose boulders with up to 4,800 ppm U, 7,600 ppm Mo and 1,220 ppm Ni

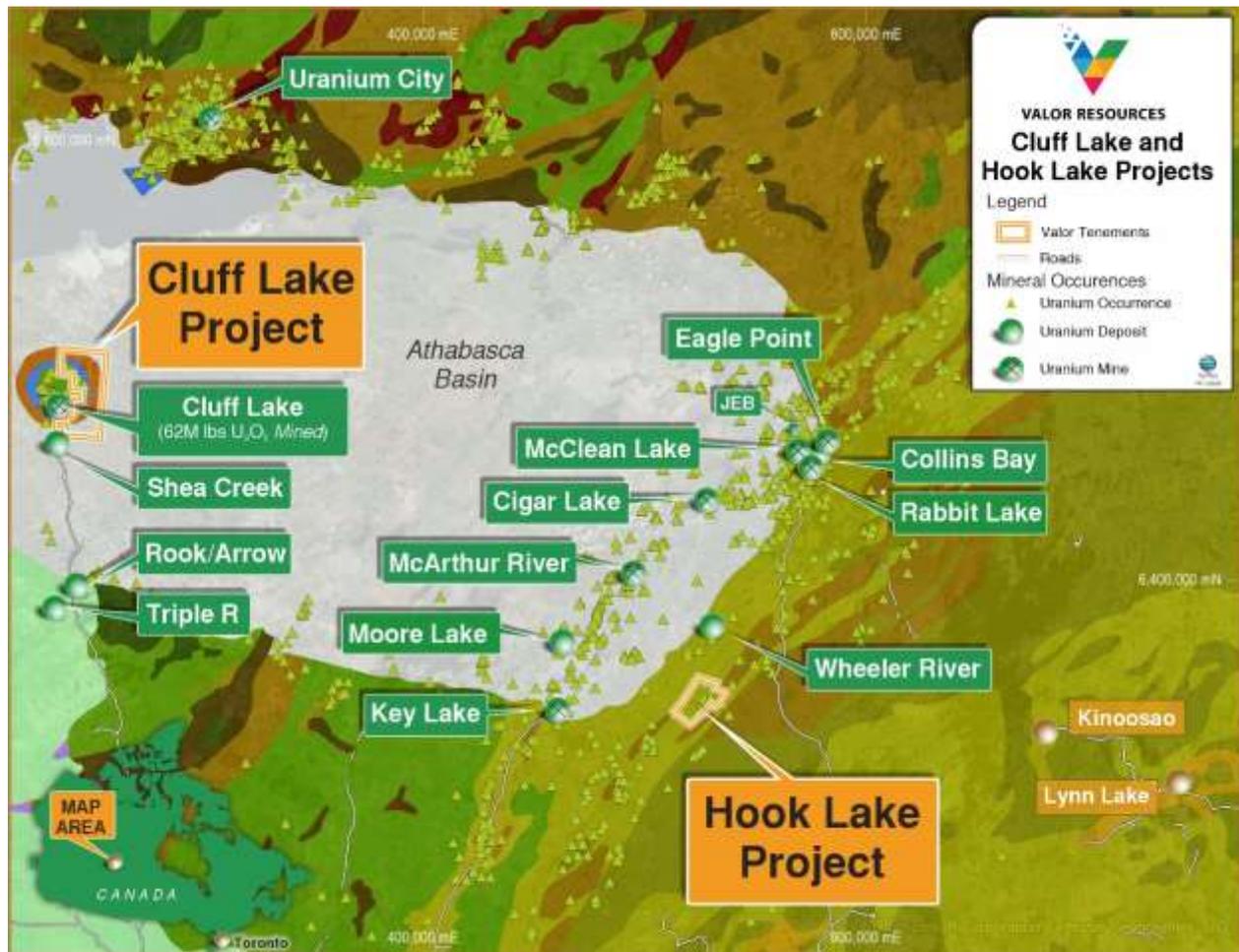


Figure 3: Hook Lake Project Geology

The project area is in close proximity to two all-weather northern highways and grid power.

Compilation and reinterpretation of previous exploration work results is already underway. It is anticipated that the initial phase of exploration work by Valor will include further bio-geochemical surveys, detailed UAV magnetics, ground gravity and resistivity surveys as well as detailed geological and structural mapping. Based on this work drill targets will be selected.

Pitchblende’s right to earn its 80% interest in the Hook Lake Project is conditional on Valor spending up to \$400,000 over the next 6 – 9 months to undertake a preliminary assessment of the Project.

If Valor decides to proceed with the Hook Lake Project, it will be required to commit up to \$3.1 million in exploration expenditure to secure its 80% interest in the Hook Lake Project. In the event that it decides not to proceed, VAL will cancel up to 150 million of the shares to be issued to Skyharbour (the actual number to be based on the date of termination of the agreement with Skyharbour (**Skyharbour Agreement**)).

Cluff Lake Uranium Project

Pitchblende owns 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. The mine produced 64 million pounds of U_3O_8 during its 22-year mine life at an average grade of 0.92% U_3O_8 from several open pit and underground operations. The southern boundary of the property is within 5km of the recently discovered Shea Creek Deposit operated by Orano Canada Inc. Shea Creek hosts an Indicated Resource (NI43-101-compliant) of 68 million pounds of U_3O_8 at a grade of 1.48% U_3O_8 (UEX Corporation Presentation, 20 August 2020).

Previous exploration work in the project area has identified several mineralised boulder trains and outcrops as well as prospective structural targets identified through airborne geophysics. The most recent survey, an airborne MEGATEM survey carried out by Fugro Airborne Survey Ltd. in 2007, resulted in the identification of 8 regions of interest along the eastern edge of the Carswell structure that merit follow-up exploration work.

As with the Hook Lake project, initial data compilation and evaluation is underway, the results of which will dictate the design of the initial work program.

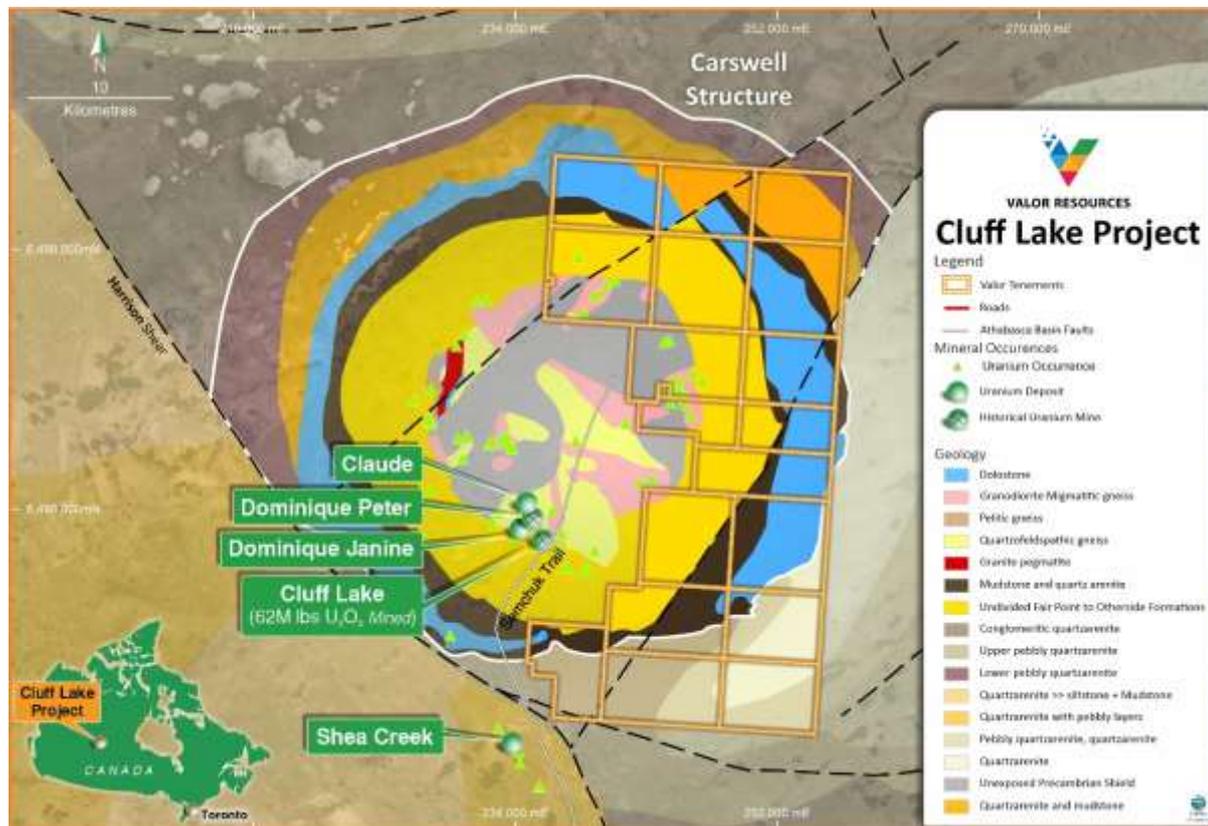


Figure 4: Cluff Lake Project Geology

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.

Competent Person Statement

Statements contained in this report relating to exploration results and potential are based on information reviewed by Professor Ken Collerson, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Professor Ken Collerson BSc (Hons.) PhD., FAusIMM is an independent consultant geologist. He has field mapping and research experience with the geology of Northern Saskatchewan and has published peer reviewed papers on its geological history. He has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Professor Ken Collerson consents to the use of this information in this report in the form and context in which it appears.

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 South	Corona 01-18	01-01208-18	Peru	100%	100%	-	-
	Corona 02-18	01-01209-18					
	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	Picha 2	01-03853-05	Peru	100%	100%	-	-
	Picha 3	01-03854-05					
	Picha 7	01-00578-07					
	Leon 3	01-04638-08					

Appendix 2 - Summary of Exploration Expenditure Incurred per Project

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