



ISSUE OF PERFORMANCE RIGHTS UPDATE

Valor Resources Limited (“Valor”) or (“the Company”) announces that further to the Appendix 3B lodged with the ASX today and following discussions with the ASX, Valor has amended the agreement to issue Performance Rights to consultants as detailed in the ASX Announcement dated 23 July 2021 titled “Completion of Acquisition & Issue of Performance Rights”. The Company will issue 40,000,000 Performance Rights to consultants which will vest, and be convertible into Shares, on the achievement of the following Milestones and in accordance with the terms and conditions attached to this announcement:

Milestone One – Within twelve months of the date of issue of the Performance Rights:

Consultant Performance Rights Hurdles	Number
(a) Completion of more than 1,500m drilling in Peru or Canada; and (b) trading in VAL achieves a 20-day VWAP of \$0.015 after three months of continuous service to the Company	7,500,000
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Milestone Two – Within two years of the date of issue of the Performance Rights:

Consultant Performance Rights Hurdles	Number
(a) achieving significant mineralised intersections of not less than 10m @ >0.5% U3O8 or equivalent (e.g. 5m @ > 1.0% U3O8) OR achieving significant mineralised intersections of not less than 10m @ >1% Cu or equivalent (e.g. 5m @ > 2% Cu); and (b) trading in VAL achieves a 20-day VWAP of \$0.025 after three months of continuous service to the Company.	7,500,000
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The consultants are not related parties of the Company and the Performance Rights are to be issued as ordinary course of business remuneration securities in accordance with the ASX Guidance Note 19 Performance Rights Paragraph 8(2). The Performance Rights will be issued within the Company's existing placement capacity under Listing Rule 7.1 without shareholder approval.

Following the issue of the Performance Rights, the Company's shareholding structure will be as follows:

Securities	Number Prior to Issue	To be issued	Total Securities
Ordinary fully paid Shares	2,898,831,418	-	2,898,831,418
Listed Options VALOB @ \$0.015 expiry 31/12/2021	425,000,000	-	425,000,000
Unlisted Options @ \$0.008 expiry 11/02/2024	60,000,000	-	60,000,000
Unlisted Options @ \$0.015 expiry 11/02/2024	60,000,000	-	60,000,000
Unlisted Options @ \$0.015 expiry 03/05/2023	25,000,000	-	25,000,000
Performance Rights – Vendors	333,333,333	-	333,333,333
Performance Rights – Directors	180,000,000	-	180,000,000
Performance Rights – Consultants	-	40,000,000	40,000,000

TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following terms and conditions apply to the issue of 40,000,000 Performance Rights for Consultants:

definitions

Italicised terms are defined below or described in a table row.

change of control event means

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all *shares* announcing that it has achieved acceptances in respect of 50.1% or more of the *shares*; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the *company* that:
 - (i) *shareholders* have at a Court-convened meeting of *shareholders* voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all *shares* are to be either:
 - A. cancelled; or
 - B. transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement.

company means Valor Resources Limited ACN 076 390 451.

expiry date has that meaning given to it in item (b) in the row below.

holder means a holder of a *performance right*.

listing rules mean the listing rules of *ASX*.

milestone means a performance milestone set out in items (a)(i) to (a)(iii) in the row below.

performance right a right to subscribe for a *share*.

share means a fully paid ordinary share in the capital of the *company*.

shareholder means a holder of *shares*.

**conversion of
performance
rights**

(a) Milestones

The *performance rights* will vest, and be convertible into *shares*, on the achievement of the following *milestones* and in the following amounts:

(i) Consultant geologist

Milestone 1 –

7,500,000 *performance rights* to vest on:

- A. completion of more than 1,500m drilling in Peru or Canada; and
- B. trading in VAL achieves a 20-day VWAP of \$0.015 after three months of continuous service to the *company*,

within 12 months of issue.

Milestone 2 –

7,500,000 *performance rights* to vest on

- A. achieving significant mineralised intersections of not less than 10m @ >0.5% U3O8 or equivalent (e.g. 5m @ > 1.0% U3O8) OR achieving significant mineralised intersections of not less than 10m @ >1% Cu or equivalent (e.g. 5m @ > 2% Cu); and
- B. trading in VAL achieves a 20-day VWAP of \$0.025 after three months of continuous service to the *company*.

within 2 years of issue.

(ii) Country Manager

Milestone 1 –

7,500,000 *performance rights* to vest on:

- A. completion of more than 1,500m drilling in Peru; and
- B. trading in VAL achieves a 20-day VWAP of \$0.015 after three months of continuous service to the *company*,

within 12 months of issue.

Milestone 2 -

(2) 7,500,000 *performance rights* to vest on:

- A. achieving significant mineralised intersections of not less than 10m @ >1% Cu or equivalent (e.g. 5m @ > 2% Cu); and
- B. trading in VAL achieves a 20-day VWAP of \$0.025 after three months of continuous service to the *company*,

within 2 years of issue.

(iii) Consultant geologist

Milestone 1 -

5,000,000 *performance rights* to vest on:

- A. completion of more than 1,500m drilling in Peru; and
- B. trading in VAL achieves a 20-day VWAP of \$0.015 after three months of continuous service to the *company*,

within 12 months of issue.

Milestone 2 -

5,000,000 *performance rights* to vest:

- A. achieving significant mineralised intersections of not less than 10m @ >1% Cu or equivalent (e.g. 5m @ > 2% Cu); and
- B. trading in VAL achieves a 20-day VWAP of \$0.025 after three months of continuous service to the *company*,

within 2 years of issue

(b) Conversion notice

Once vested, a *performance right* may be converted by the *holder* giving written notice to the *company* (**conversion notice**) prior to the date that is 36 months from the date of issue of the *performance right* (**expiry date**).

No payment is required to be made for conversion of a *performance right* to a *share*.

(c) Lapse

To the extent that the *performance rights* have not converted into *shares* on or before the *expiry date*, then all such unconverted *performance rights* held by each *holder* will automatically lapse.

(d) Issue of shares

The *company* will issue a *share* on conversion of a *performance right* within 10 business days following the conversion or such period required by the *listing rules*.

(e) Holding statement

The *company* will issue the *holder* with a new holding statement for any *share* issued on conversion of a *performance right* within 10 business days following the issue of the *share*.

(f) Ranking of shares

Each *share* into which the *performance rights* will convert will, on issue:

- (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued *shares*;
 - (ii) be issued credited as fully paid;
 - (iii) be duly authorised and issued by all necessary corporate action; and
 - (iv) be issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emption rights and any transfer restrictions.
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***conversion on
change of
control***

If there is a *change of control event* in relation to the *company* prior to the conversion of the *performance rights*, then the *milestones* will be deemed to have been achieved by the date of the *change of control event*, and each *performance right* will automatically and immediately convert into *shares*.

***takeover
provisions***

- (a) If the conversion of *performance rights* under these terms and conditions would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (***Corporations Act***) then the conversion of each *performance right* that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the *Corporations Act*. Following a deferment under this paragraph, the *company* will at all times be required to convert that number of *performance rights* that would not result in a contravention of section 606(1) of the *Corporations Act*.
 - (b) The *holders* will give notification to the *company* in writing if they consider that the conversion of *performance rights* under these terms and conditions may result in the contravention of section 606(1) of the *Corporations Act*, failing which the *company* will assume that the conversion of *performance rights* under these terms and conditions will not result in any person being in contravention of section 606(1) of the *Corporations Act*.
 - (c) The *company* may (but is not obliged to) by written notice request a *holder* to give notification to the *company* in writing within seven days if the *holder* considers that the conversion of *performance rights* under these terms and conditions may result in the contravention of section 606(1) of the *Corporations Act*. If the *holder* does not give notification to the *company* within seven days that it considers the conversion of *performance rights* under these terms and conditions may result in the contravention of section 606(1) of the *Corporations Act* then the *company* will assume that the conversion of *performance rights* under these terms and conditions will not result in any person being in contravention of section 606(1) of the *Corporations Act*.
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***rights attaching
to performance
rights***

- (a) Notice of satisfaction of milestone
 - (i) The *company* will give written notice to the *holder* (***milestone notice***) promptly following satisfaction of a *milestone* or lapse of a *performance right* where the *milestone* is not satisfied.
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- (ii) Where the *milestone notice* gives notice of lapse of a *performance right*, the *milestone notice* must include information on how and when the *company* determined whether or not a *milestone* had been achieved.
- (iii) Where a *holder* disputes the *company's* finding that a *milestone* has not been achieved and *performance rights* have lapsed, the *parties* may appoint an independent auditor to review that decision. In the event that the *parties* cannot agree on an independent auditor, an independent expert will be appointed by the Resolution Institute.
- (iv) Should an independent auditor or an independent expert be appointed in accordance with paragraph (a)(iii) and subsequently find in favour of the *holder*, the *expiry date* shall be extended from the date of communication of the final finding by the auditor/expert to allow the *holder* reasonable and sufficient time to give a *conversion notice*.
- (b) Entitlement
- Each *performance right* entitles the *holder* to subscribe for one *share* upon satisfaction of the *milestone* and issue of the *conversion notice* by the *holder*.
- (c) No voting rights
- A *performance right* does not entitle a *holder* to vote on any resolutions proposed at a general meeting of shareholders of the *company*.
- (d) No dividend rights
- A *performance right* does not entitle a *holder* to any dividends.
- (e) No right to surplus profits or assets
- A *performance right* does not entitle a *holder* to participate in the surplus profits or assets of the *company* upon winding up of the *company*.
- (f) No right to a return of capital
- A *performance right* does not entitle a *holder* to a return of capital, whether upon winding up of the *company*, upon a reduction of capital or otherwise.
- (g) Not transferable
- A *performance right* is not transferable.
- (h) Reorganisation of capital
- If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital of the *company*, the rights of a *holder* will be varied (as appropriate) in accordance with the *listing rules* which apply to reorganisation of capital at the time of the reorganisation, so long as the reorganisation does not prejudice the holder.
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(i) Quotation of shares on conversion

An application will be made by the *company* to the Australian Securities Exchange (**ASX**) for official quotation of the *shares* issued upon the conversion of each *performance right* within the time period required by the listing rules of *ASX*.

(j) Participation in entitlements and bonus issues

A *performance right* does not entitle a *holder* to participate in new issues of capital offered to holders of *shares*, such as bonus issues and entitlement issues.

(k) No other rights

A *performance right* does not give a *holder* any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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

For further information, please contact:

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ASX: VAL/VALOB

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 and 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 ten granted mining concessions for a total of 6,031 hectares.

Valor is the 100% owner of Pitchblende, which holds the following interests:

- ▶ 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
- ▶ 100% equity interest in 19 contiguous mineral claims covering 62,233 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.
- ▶ Five additional projects within the Athabasca Basin with 100% equity interest in 12 mineral claims covering 10,512 hectares at the Surprise Creek Project, Pendleton Lake Project, Smitty Uranium Mine, Lorado Uranium Mine and the Hidden Bay Project.

Ends -----