VALOR RESOURCES

**ASX Announcement**
**31st March 2022**
**ASX:VAL**

# SPECTRAL STUDY SUPPORTS THE PORPHYRY POTENTIAL AT PICHA COPPER PROJECT

## HIGHLIGHTS

- Spectral study of 74 rock samples from the Picha Project indicates alteration zones proximal to **porphyry-type deposits** – **five spectral anomalies identified**.
- Study also identified alteration minerals related to low sulfidation epithermal environments.
- Ground based exploration continues with work underway on recently granted concessions adjacent to the Picha Project:
  - **Two new targets identified** along major NE-SW trending regional structure; and
  - Rock chip samples have been taken from new targets including from historical artisanal workings - **results due in April.**
- Drill targets near finalisation following additional results from spectral survey; and
- Drill program approvals well advanced with drilling planned for September quarter.

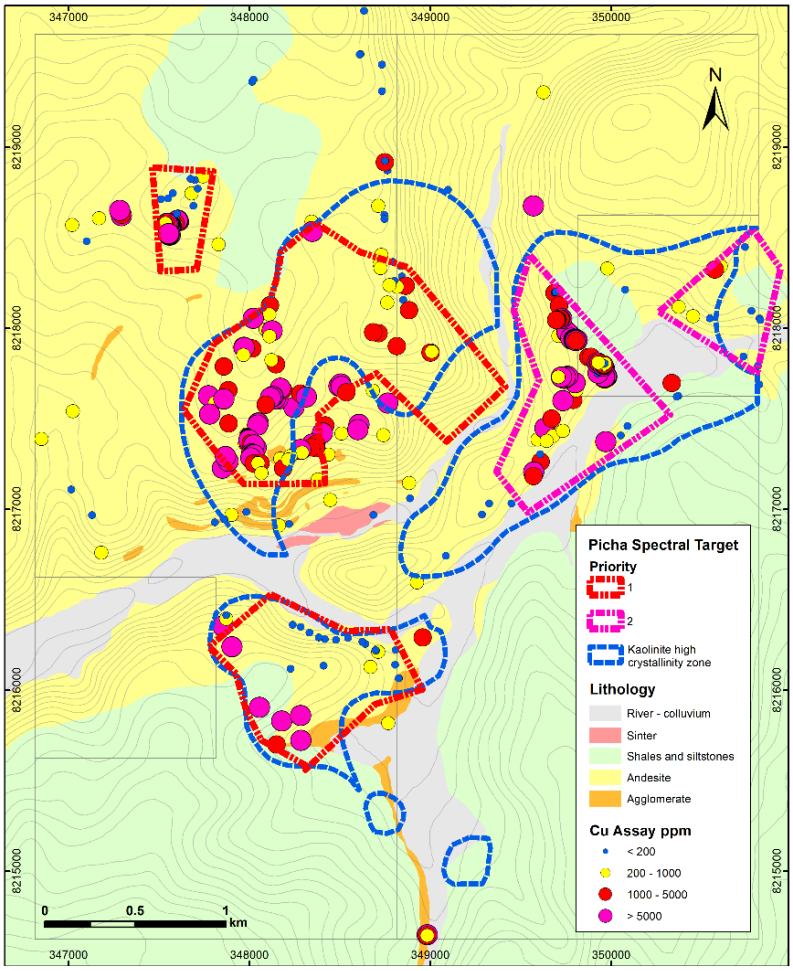


*Figure 1: Picha Project – Spectral Targets and Copper geochemical anomalies*

Valor Resources Limited ("Valor" or the "Company") is pleased to announce the results of a spectral data study based on 74 rock samples from the Picha Project which was completed in March. The samples were collected during the 2021 field program and analysed using a TerraSpec-Halo instrument. The instrument is a hand-held near-infrared (NIR) spectrometer that enables the identification of alteration minerals which can be associated with epithermal and porphyry-type mineralising systems.

The results of the study were that five spectral targets were identified (see Figure 1 above), with three high priority targets based on the presence of high temperature minerals such as tourmaline and ankerite, along with the presence of Chlorite-Mg, high crystallinity kaolinite and illite with intermediate to neutral pH. These minerals and spectral characteristics are indicative of low sulphidation epithermal mineralisation and porphyry related mineralisation. The two lower priority targets have spectral characteristics corresponding to shallower targets relating to low and intermediate sulphidation epithermal mineralisation. Four of the five spectral anomalies coincide with surface Cu geochemical anomalies.

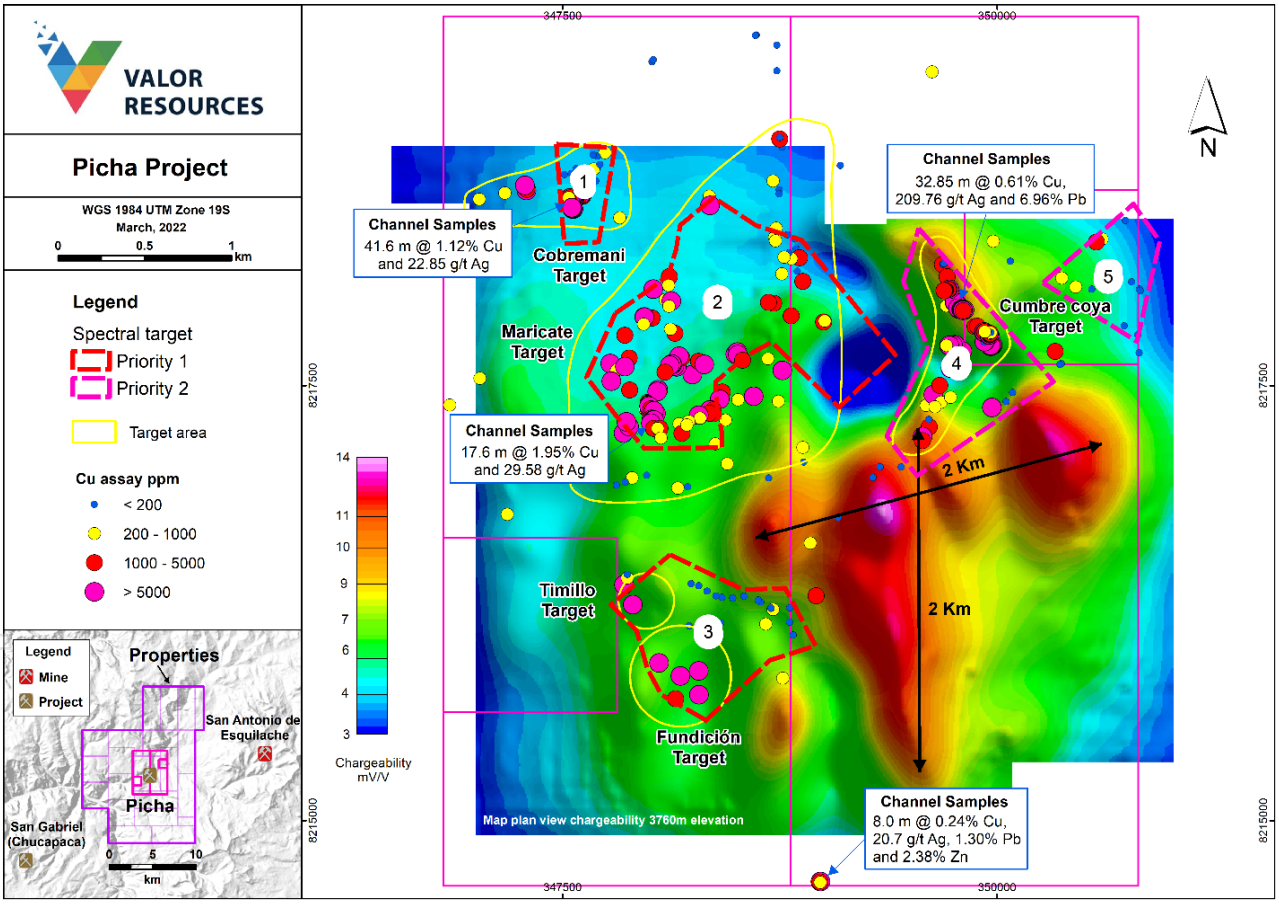


*Figure 2: Picha Project – Spectral Targets and IP anomaly.*

Executive Chairman Mr George Bauk commented, "Geological studies continue to confirm the significant potential of the Picha Copper - Silver Project. The results from the spectral study highlight five targets with the alteration signatures indicative of epithermal and porphyry style mineralisation at the Picha Project. The three highest priority spectral targets are coincident with the Cobremani, Maricate and Fundicion targets."

"Multiple workflows are currently underway focusing on the approval process for the drilling program planned for the September Quarter. In parallel to this, work has commenced on our recently granted concessions which are adjacent to the Picha Project".

"The team is finalising the drill targets, with a significant number identified across the project area through the work program completed in 2021. The challenge now is to prioritise the targets and chose which holes are to be drilled first."

"What is particularly exciting about this project is the new targets that continue to be identified by the team in Peru, with two new targets already identified in the first field program of 2022. We look forward to the results from these targets and for more news on additional targets."

## Spectral study

A spectral study was completed in March 2022 on 74 rock chip samples from across the Picha Project, which were analysed by a hand-held TerraSpec Halo mineral identifier. The TerraSpec Halo mineral identifier is a full-range NIR spectrometer that measures the visible, near-infrared and short-wave infrared regions enabling the identification of alteration minerals associated with mineralising systems. The samples for the study were all taken after the geochemical surface anomalies had been identified (see Figure 3 and Table 1 below for sample locations). Generally, two spectra per sample were collected to verify or extract the greatest amount of spectral information. The raw data was interpreted using TSG-8 software, followed by a visual review of each spectrum by a specialist consultant.

Alteration minerals related to low sulfidation epithermal environments and spectral vectors indicating zones with characteristics proximal to porphyry-type deposits were identified. The predominant alteration minerals are kaolinite, smectite (montmorillonite), illite, quartz/silica and chlorite. Less abundant were biotite, epidote/zoisite and tourmaline which are spatially related to fractures and cavities close to fault zones.

Five spectral targets (see Figures 1, 2 and 3) were identified with three high priority targets with spectral characteristics indicating proximity to porphyry and low sulphidation epithermal deposits. These indicators are high crystallinity indices of kaolinite, the presence of chlorite-Mg, the high temperature minerals tourmaline and ankerite and illite with intermediate to neutral pH. These three high priority targets coincide with the Cobremani and Maricate targets and part of the Fundicion target. The two other spectral targets have characteristics indicating hydrothermal activity such as high crystallinity indexes of kaolinite, high temperature minerals such as epidote in veins, tourmaline found in fault zones. The presence of jarosite (pH low <4), the proximity to illite with intermediate to acid pH, the presence of Chl-Fe and the absence of Chl-Mg indicate that they correspond to a shallower target (Epithermal intermediate – low sulphidation).

The presence of high-temperature minerals such as tourmaline, biotite and chlorite-Mg at around the elevation of 4020-4040m, which is the deepest level exposed in the project area, indicate proximity to a possible porphyry-type system at depth. Most of the sampling for the spectral study has been from the Cobremani, Maricate, Cumbre Coya and Fundicion targets. Further sampling has been planned from across the project area including in the area underlain by the geophysical IP anomaly (see Figure 2) which is overlain by shales and siltstones of the Maure Group.

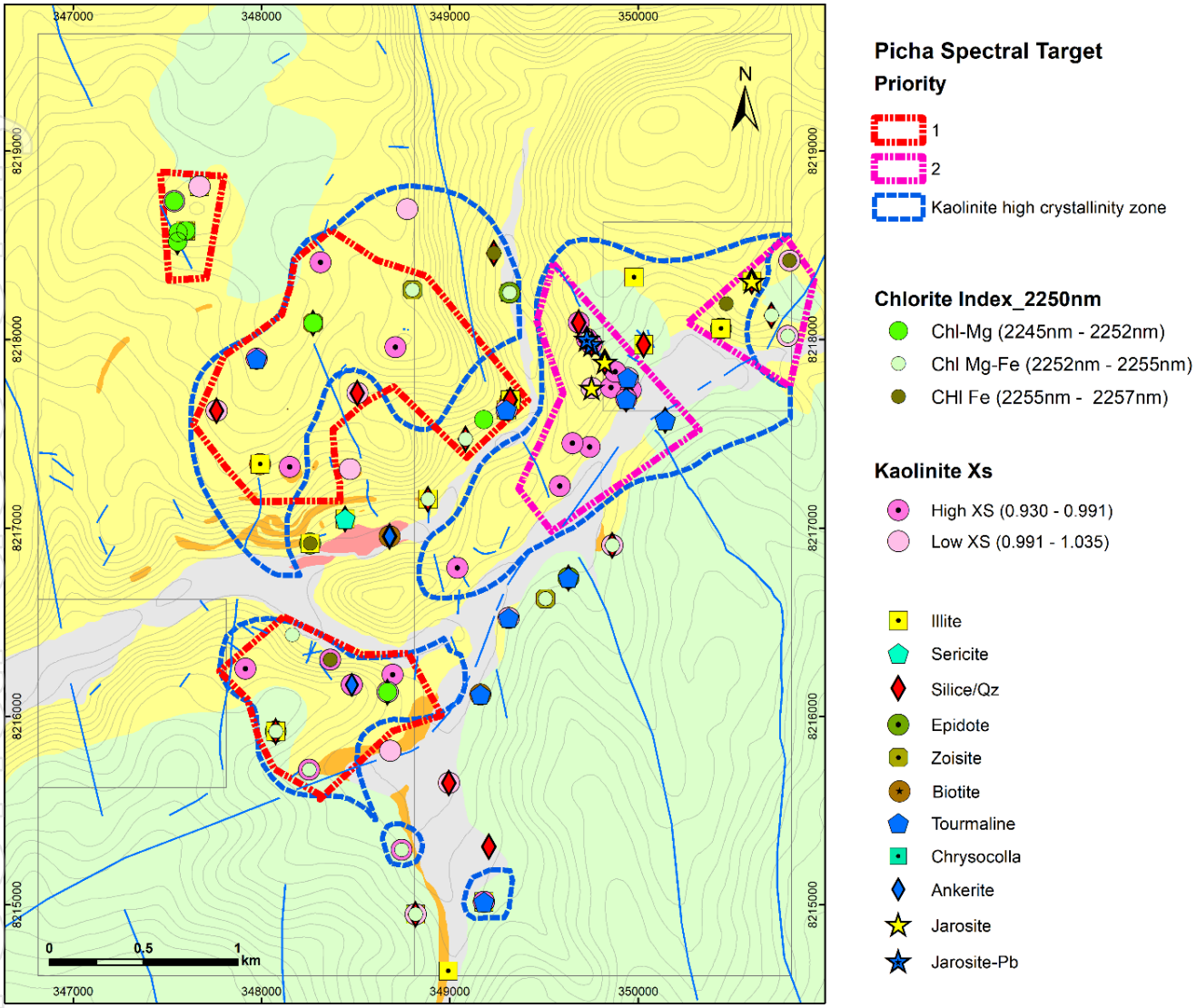


*Figure 3: Picha project – Spectral sample locations and dominant alteration minerals*

## New targets

On-ground field work has already commenced in 2022 with the identification of two new targets along a major NE-SW trending regional structure. One of these targets, located to the SW of the Huancune target area, has historical mine workings (see Figure 4 below), with copper mineralisation (malachite, azurite and chalcanthite) in andesitic rocks filling fractures and in the matrix of agglomerates, with moderate argillic alteration. The target to the NE has breccias with pervasive advanced argillic (vuggy silica) hydrothermal alteration in clasts and the matrix, with hematite and goethite. Several rock chip samples have been taken at both new targets and results are expected in April. These targets are in addition to the Huancune, Occsani, Ichocollo and Chullunquiani (includes historical mine workings) targets which were first highlighted in the ASX announcement dated 19th January 2022, titled "*Copper-Silver Picha Project landholding expanded following outstanding results from 2021 exploration program*". Copper and lead mineralisation within andesites as veins or in breccias, with argillic alteration, have been identified at all four of these targets. Detailed geological mapping and surface sampling are planned for these targets prior to a ground geophysical survey.

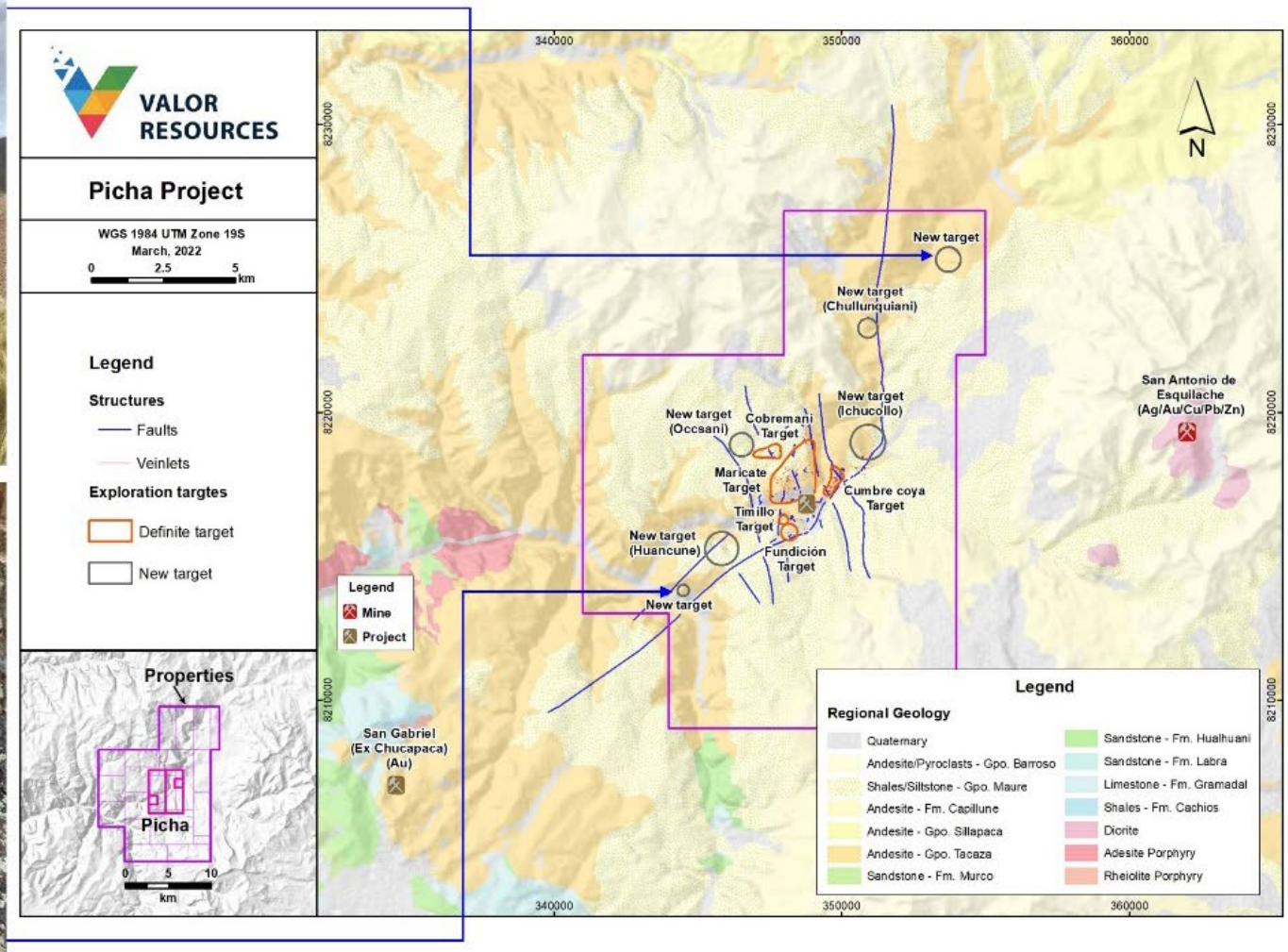


*Figure 4: Picha Project – New targets identified along NE-SW trending structure*

*Table 1 –Locations of spectral study samples (WGS84 UTM Zone 19S)*

| SAMPLE | EASTING | NORTHING |
|---|---|---|
| **M-01** | 347557 | 8218568 |
| **M-02** | 347598 | 8218577 |
| **M-03** | 347555 | 8218519 |
| **M-04** | 347671 | 8218812 |
| **M-05** | 347536 | 8218734 |
| **M-06** | 348314 | 8218410 |
| **M-07** | 348773 | 8218692 |
| **M-08** | 348801 | 8218263 |
| **M-09** | 348711 | 8217960 |
| **M-10** | 348275 | 8218087 |
| **M-11** | 348140 | 8217630 |
| **M-12** | 347993 | 8217338 |
| **M-13** | 348470 | 8217312 |
| **M-14** | 348276 | 8217325 |
| **M-15** | 348150 | 8217324 |
| **M-16** | 348697 | 8216221 |
| **M-17** | 348163 | 8216433 |
| **M-18** | 347915 | 8216253 |
| **M-19** | 348076 | 8215920 |
| **M-20** | 348253 | 8215717 |
| **M-21** | 348684 | 8215817 |
| **M-22** | 348992 | 8214649 |
| **M-23** | 349163 | 8216116 |
| **M-24** | 349508 | 8216624 |
| **M-25** | 349863 | 8216908 |
| **M-26** | 349040 | 8216788 |
| **M-27** | 349652 | 8217390 |
| **M-28** | 349743 | 8217430 |
| **M-29** | 349754 | 8217743 |
| **M-30** | 349857 | 8217746 |
| **M-31** | 349962 | 8217732 |
| **M-32** | 349937 | 8217782 |
| **M-33** | 349753 | 8217977 |
| **M-34** | 349584 | 8217223 |
| **M-35** | 350030 | 8217972 |
| **M-36** | 348819 | 8214950 |
| **M-37** | 348745 | 8215291 |
| **M-38** | 349182 | 8215015 |
| **M-39** | 350604 | 8218309 |
| **M-40** | 350440 | 8218059 |
| **M-41** | 348259 | 8216917 |
| **M-42** | 348445 | 8217048 |
| **M-43** | 348885 | 8217152 |
| **M-44** | 348681 | 8216956 |
| **M-45** | 349652 | 8217449 |
| **M-46** | 348365 | 8216300 |

| SAMPLE | EASTING | NORTHING |
|---|---|---|
| **M-47** | 348510 | 8217717 |
| **M-47** | 348510 | 8217717 |
| **M-48** | 348996 | 8215647 |
| **M-49** | 349235 | 8218458 |
| **M-50** | 349318 | 8218248 |
| **M-51** | 349631 | 8216735 |
| **M-52** | 350145 | 8217573 |
| **M-53** | 349945 | 8217797 |
| **M-54** | 349879 | 8217829 |
| **M-55** | 349937 | 8217685 |
| **M-56** | 349823 | 8217882 |
| **M-57** | 349728 | 8218003 |
| **M-58** | 350468 | 8218190 |
| **M-59** | 350708 | 8218129 |
| **M-60** | 350803 | 8218419 |
| **M-61** | 349180 | 8217575 |
| **M-62** | 349322 | 8217680 |
| **M-63** | 349301 | 8217627 |
| **M-64** | 349084 | 8217472 |
| **M-65** | 350220 | 8217321 |
| **M-66** | 349313 | 8216522 |
| **M-67** | 349208 | 8215309 |
| **M-68** | 348669 | 8216129 |
| **M-69** | 348481 | 8216167 |
| **M-70** | 347762 | 8217622 |
| **M-71** | 347974 | 8217899 |
| **M-72** | 350794 | 8218019 |
| **M-73** | 349978 | 8218330 |
| **M-74** | 349685 | 8218090 |

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

For further information, please contact

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***Executive Chairman***

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**ASX : VAL**

## ABOUT VALOR RESOURCES

Valor Resources Limited (ASX:VAL) ("Valor" or "the Company") is an exploration company focused on creating shareholder value through acquisitions and exploration activities. The Company is focused 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 Corona Projects located in the Moquegua and Puno Departments of Peru, 17km ENE of the Chucapaca (San Gabriel – Buenaventura) gold deposit. They are two copper-silver exploration projects comprising nineteen granted mining concessions for a total of 13,830 hectares (138 $kim^2$).

Valor is the 100% owner of 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.

## COMPETENT PERSON STATEMENT

The information in this documents that relates to Exploration results is based on information compiled by Mr Gary Billingsley a Non-Executive Director of Valor, who is a member of The Association of Professional Engineers and Geoscientists of Saskatchewan in Canada. Mr. Billingsley has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Billingsley consents to the inclusion of this information in the form and context in which it appears.

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# JORC CODE, 2012 EDITION – TABLE 1 REPORT TEMPLATE

SECTION 1 SAMPLING TECHNIQUES AND DATA

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* | Samples were taken as selective samples in mineralized areas. Samples were taken as rock chips or hand grab samples from selected areas. All samples were taken from in-situ mineralisation. Study carried out by GeoSpectral Consulting S.A.C based in Lima, Peru. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | Rock chip samples are taken for spectral study only and from areas of known mineralisation and target areas. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report.* | A total of 74 samples have been taken to date specifically for the purpose of carrying out the spectral study. The samples have not been assayed. The selective samples have a high potential for bias and should not be considered as being representative of the overall mineralized structure or zone. Sample sites were selected based on known geochemical anomalies. |
| *Drilling techniques* | *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | Not applicable – no drilling completed. |
| *Drill sample recovery* | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Not applicable – no drilling completed. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Not applicable – no drilling completed. |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | Not applicable – no drilling completed. |
| *Logging* | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | Not applicable – no drilling completed and not appropriate for early-stage exploration. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Rock type and geological information recorded at location of each rock chip sample – qualitative in nature. |
| | *The total length and percentage of the relevant intersections logged.* | Not applicable – no drilling completed. |
| *Sub-sampling techniques and sample preparation* | *If core, whether cut or sawn and whether quarter, half or all core taken.* | Not applicable – no drilling completed |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | Not applicable – no drilling completed. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | No sample preparation completed, as no assaying completed. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | No field subsampling. |
| | *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* | Duplicate samples not collected – not appropriate for study. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | Sample sizes are considered appropriate with a size of about 0.5-2kg. |
| *Quality of assay data and laboratory tests* | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | Not applicable – no assaying completed. |
| *Quality of assay data and* | *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | Samples were analysed by a hand-held TerraSpec Halo mineral identifier. The TerraSpec Halo mineral identifier is a full-range Near Infrared spectrometer that measures the visible, near-infrared and short-wave infrared regions enabling the identification of alteration minerals associated with mineralising |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *laboratory tests continued* | | systems. |
| | *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | Two spectra collected per sample to verify and extract the maximum amount of spectral information. Raw data was interpreted using TSG-8 software followed by visual and detailed review of each spectrum by the specialist consultant. |
| *Verification of sampling and assaying* | *The verification of significant intersections by either independent or alternative company personnel.* | Internal verification of results by more than one company geologist. |
| | *The use of twinned holes.* | Not applicable – no drilling completed. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | All data checked by responsible geologist and digitally transferred to Perth office. |
| | *Discuss any adjustment to assay data.* | No assay data – not applicable. |
| *Location of data points* | *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | Sample sites were recorded using a Garmin Oregon 550 GPS with an accuracy of ±5m. |
| | *Specification of the grid system used.* | The grid system used is WGS84 UTM Zone 19S. All reported coordinates are referenced to this grid. |
| | *Quality and adequacy of topographic control.* | Topographic control is considered appropriate for early-stage exploration |
| *Data spacing and distribution* | *Data spacing for reporting of Exploration Results.* | Rock chip sampling was taken at observed mineral occurrences, areas of known geochemical anomalies and areas with mineralisation potential. Considered appropriate for the study purposes. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | Not applicable – no Mineral Resource estimation. |
| | *Whether sample compositing has been applied.* | No compositing – not applicable. |
| *Orientation of data in relation to geological structure* | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Samples taken in order to characterise the mineralisation. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | Not applicable – no drilling. |
| *Sample security* | *The measures taken to ensure sample security.* | The samples were delivered to GeoSpectral Consulting, Lima, Peru and in compliance with chain of custody documentation. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | Not applicable for early-stage exploration |

SECTION 2 REPORTING OF EXPLORATION RESULTS (Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | The Picha project comprises Mining Concessions Picha 2, Picha 3, Picha 7 and Leon 3, which are 100% owned by Kiwanda S.A.C, a wholly-owned Peruvian subsidiary of Valor Resources. The Picha project is located 127km SW of the City of Juliaca, in southern Peru, and near the village of Jesus Maria in the San Antonio de Esquilache district, province of Sanchez Cerro and the Moquegua department. |
| | *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area* | All mining concessions are currently granted and in good standing with no known impediments. |
| *Exploration done by other parties* | *Acknowledgment and appraisal of exploration by other parties.* | Exploration was previously completed on the Picha project area by several companies including Minera Teck Peru S.A., Minera del Suroeste S.A.C, Maxy Gold Corp and most recently Lara Exploration Ltd. These companies completed surface geochemical sampling and geophysics, including an Induced Polarization survey. Lara Exploration and Maxy Gold Corp proposed drilling programs to test the five target areas, but the drilling was never implemented. |
| *Geology* | *Deposit type, geological setting and style of mineralisation.* | Picha mineralisation is considered similar to other copper-silver stratabound deposits in Peru and Chile hosted mainly in andesitic volcanics. Further exploration work is required to test this model. The project area is covered mostly by andesite lava flows, basaltic andesites, tuffs and agglomerates of the Tacaza Group. These rocks are unconfomably overlain by lacustrine sediments made up of sandstones, limolites, shales, limestones and some intercalations of andesites, rhyolites and reworked tuffs of the Maure Group of Miocene age. While most of the copper mineralisation is hosted by the Tacaza Group, some copper mineralisation also reaches the level of the Maure Group rocks. The potential for low sulphidation epthermal and porphyry related mineralisation has now been recognised through work carried out by Valor in 2021 and 2022, including ground IP/Resistivity surveys and the spectral study reported herein. |
| *Drill hole Information* | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.* | Not applicable – no drilling completed. |
| | *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | Not applicable – no drilling completed. |
| *Data aggregation methods* | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* | Not applicable – no data aggregation. |
| | *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical* | Not applicable – no assay results reported. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *examples of such aggregations should be shown in detail.* | |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No metal equivalents reported. |
| *Relationship between mineralisation widths and intercept lengths* | *These relationships are particularly important in the reporting of Exploration Results.* | Not applicable – no drilling. |
| | *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | Not applicable – no drilling. |
| | *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | Not applicable – no drilling. |
| *Diagrams* | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Refer to Figures above in body of text. |
| *Balanced reporting* | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | Location of all rock chip samples reported in table above and shown on Figure 3. |
| *Other substantive exploration data* | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | No other relevant exploration data to report. |
| *Further work* | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* | Further work on the project will include the following:<br>• Planning and implementation of drilling program<br>• Geological mapping and geochemical sampling on recently granted concessions and over new targets. |
| | *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Refer to Figures above in body of text. |

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Not applicable.

SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

Not applicable.