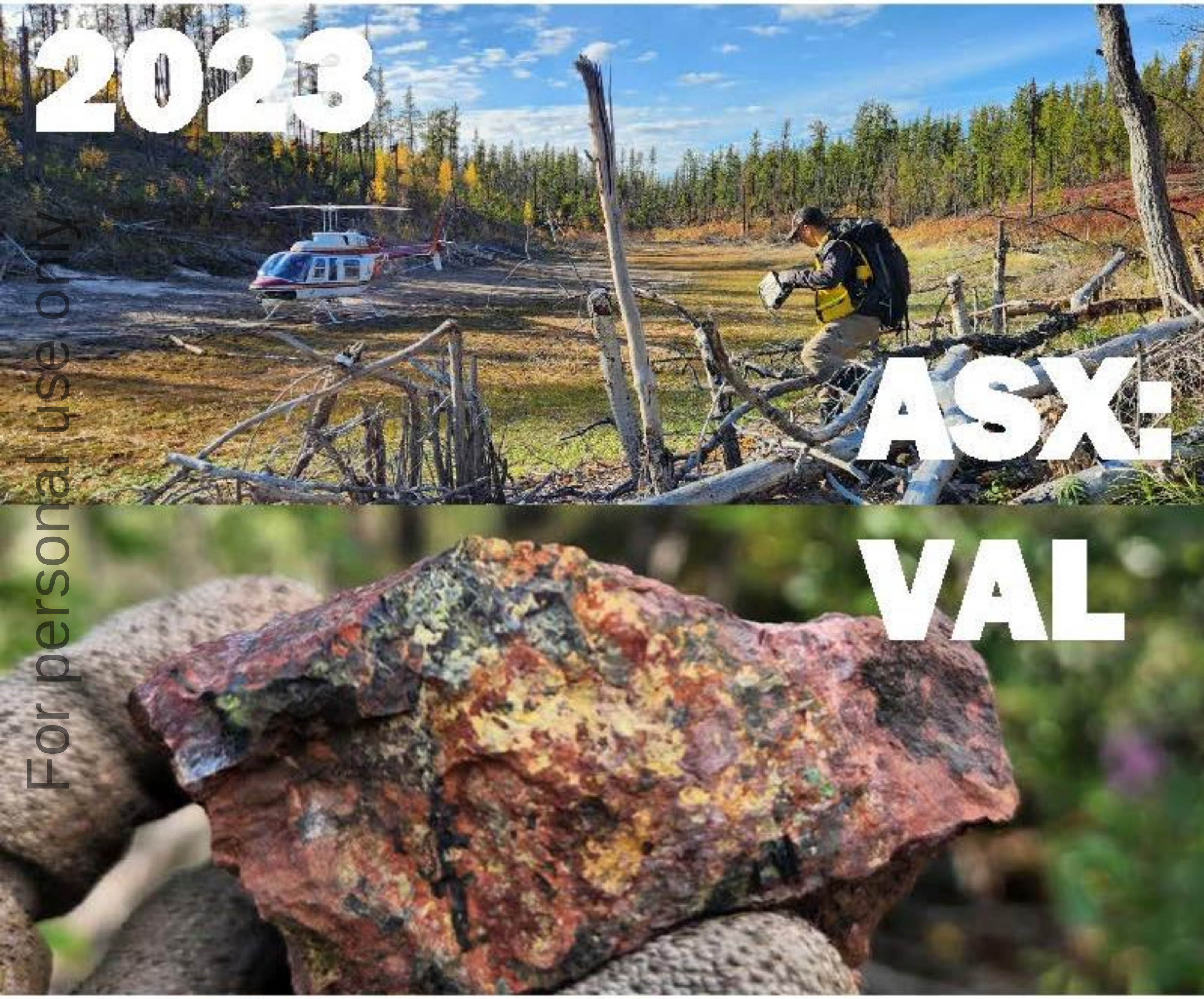
ANNUAL REPORT

2023



ASX: VAL

VALOR RESOURCES

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CORPORATE DIRECTORY

Directors
Mr. George Bauk (Executive Chairman)
Mr. Gary Billingsley (Non-Executive Director)
Mr. Robin Wilson (Technical Director) – Appointed 6 October 2022
Mr. Brian McMaster (Non-Executive Director) – Resigned 6 October 2022
Ms. Paula Smith (Non-Executive Director) – Resigned 19 August 2022

Company Secretary
Mr. Joe Graziano – Appointed 19 August 2022
Ms. Paula Smith – Resigned 19 August 2022

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Stock Exchange
Australian Securities Exchange Limited
(Home Exchange: Perth, WA)
ASX Code: VAL

VALOR RESOURCES

CHAIRMAN'S LETTER

Dear Shareholders,

The past 12 months has seen Valor Resources Ltd ("Valor" or "the Company") achieve numerous significant milestones, creating an exciting platform for future growth and setting us up for a very positive year ahead.

In my letter to shareholders last year, we highlighted the need to streamline our corporate focus and, as a result, we successfully completed the sale of our Peruvian copper assets to Barrick Gold and Firetail Resources.

Over the past two years, the Company has advanced the Picha Project in Peru from a greenfields property of 20 km2 to a drill-ready project with ten drill target areas developed, supported by the outstanding exploration work undertaken by our exploration team. We have expanded the project to approximately 200 km2 and have successfully obtained a drill permit to allow drilling to commence.

The transaction with Firetail Resources (ASX: FTL) provides Valor with a number of positive outcomes and rewards for shareholders. Firstly, we retain a 20% free-carry interest in the Picha Project through to a Pre-Feasibility Study. Secondly, we have a ~20% shareholding in Firetail through the initial issue of 15 million shares with a further 20 million shares to be issued if key milestones are achieved. We also received $550,000 cash on completion of the transaction in August 2023.

Drilling is expected to commence in early October and we are looking forward to the results with great anticipation.

Prior to completing the deal with Firetail Resources, we secured an earn-in deal with Barrick Gold on the Charaque Project in Peru. The transaction provided an initial US$200,000 payment, and future annual payments along with milestone payments as the project progresses. The Company retains a 20% free-carry in the project, which is now part of the Firetail transaction.

These two transactions have rewarded the Company for the identification and development of the projects through our exploration efforts. They also allow our shareholders to have exposure to the upside from future exploration success.

With this process complete, we can now focus our attention on Canada. Over the past three years we have built an exciting portfolio of assets in the Athabasca Basin, with a particular focus on uranium and rare earths, as well as copper – which is part of the Surprise Creek landholding. We will continue to evaluate M&A opportunities in Canada due to our experience and presence in the country.

What a time to streamline our efforts in the uranium sector, with the rise of the price of uranium to over US$65/lb this year, attaining prices not seen for over a decade! The Athabasca Basin is world-class, with Cameco and Orano dominating the scene along with other major uranium-focused companies. We have an exciting portfolio of assets that have been advanced over the past three years through effective and structured exploration. We have undertaken several ground-based programs, drilling, airborne surveys and significant interpretation work to develop several drill-ready targets. We are now in a position to commence drill testing of these outstanding targets.

With the previous experience of our Non-Executive director Gary Billingsley, we have monitored the status of the Beatty River Heavy Rare Earth Project and in the past six months we have successfully secured the claims following a competitive process to stake the property. We look forward to getting on the ground at Beatty River in the coming 12 months.

While the achievements outlined above have not yet been reflected in the share price amidst what have been a very challenging market conditions during the year, we have unquestionably strengthened our asset base – which is the key to future success.

In conclusion, I would like to thank my fellow board members, our exploration team and all the amazing consultants that work so closely with us. Over the past three years, we have developed a very inclusive and positive culture within the Company, which I firmly believe will deliver considerable success for us in the future.

I would in particular like to acknowledge and thank our Peruvian team, who achieved so much during the year. They now join the expanded Firetail Resources team, who have embraced each one of them. I look forward to seeing the drill turning and we will always value your contribution to Valor Resources!

Yours faithfully

George Bauk

Executive Chairman

VALOR RESOURCES

DIRECTORS' REPORT

The Directors present their report for Valor Resources Limited and its subsidiaries ("Valor" or "the Group") for the year ended 30 June 2023.

Directors

The names, qualifications and experience of the Group's Directors in office at any time during the year are as follows. Directors were in office for this entire year unless otherwise stated.

MR. GEORGE BAUK
Executive Chairman

Mr Bauk is an experienced company director with over 15 years' experience as a listed company director in Australia with the resources industry in both production and exploration with assets in Western Australia and internationally. He is an experienced executive, with 30 years' experience in the resources industry. Mr Bauk holds a Bachelor of Business (Accounting and Finance) from Edith Cowan University, is a Fellow of the CPA and has an MBA from the University of New England. Mr Bauk has held global operational and corporate roles with WMC Resources and Western Metals. Mr Bauk has a strong background in strategic management, business planning, building teams, finance and capital/debt raising, and experience with a variety of commodities in particular rare earths, gold and industrial minerals. During his time as Managing Director of Northern Minerals, he led its rapid development from greenfields heavy rare earth explorer to one of a few global producers of high value dysprosium outside of China. Mr Bauk is a passionate member of the WA resources industry having previously held a number of senior governing positions with the Chamber of Minerals and Energy including Vice President.

Mr Bauk is currently a director of Evion Group NL (appointed 17 March 2016), Lithium Australia Limited (appointed 17 July 2015) PVW Resources Limited (appointed 1 February 2021) and Firetail Resources Limited (appointed 5 September 2023). Mr Bauk was previously a director of Gascoyne Resources Limited (appointed 7 August 2020, resigned 31 January 2022). He has not held any other listed directorships in the past three years.

MR. GARY BILLINGSLEY
Non-Executive Director

Mr Billingsley has over 37 years' experience as a listed company director in Canada in the resources industry from exploration through to production in both oil and gas and mining. He has global experience having worked on projects located in Canada, the US and Africa. With 48 years' experience in the resources industry, Mr Billingsley has held several operational and corporate roles from Chief Mine Geologist to President and CEO of both small and large public companies. Besides a technical background, he has experience on the corporate financial side including fund raising and serving on board committees including Audit, Compensation, Corporate Governance and Environment, Health and Safety committees. His public company experience covers commodities including oil and gas, base metals, gold, diamonds, uranium, potash and rare earths. Mr Billingsley's career includes leading the team that put Saskatchewan's largest gold mine into production, discovering several diamond-bearing kimberlites in Saskatchewan, one of which has now completed final feasibility and playing an instrumental role in taking a potash company public that was subsequently purchased by BHP.

Mr Billingsley is currently a director of TSX-V listed Aurex Energy Corp. (appointed November 2011), Wescan Goldfields Inc. (appointed April 2005) and Hanstone Gold Corp. (appointed November 2021). He has not held any other listed directorships in the past three years.

MR. BRIAN MCMASTER (Resigned 6 October 2022)

Non-Executive Director

Mr McMaster is a Chartered Accountant and has over 25 years' experience in the areas of venture capital and project financing, corporate reconstruction and turnaround/performance improvement. Mr McMaster is the principal of Garrison Capital a boutique venture capital firm and formerly was a partner of the restructuring firm KordaMentha and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr McMaster is currently a director of AIM traded Harvest Minerals Limited (appointed 1 April 2014), AIM traded Jangada Mines plc (appointed 30 June 2015), AIM quoted Arc Minerals Limited (appointed 1 August 2017).

He has not held any other listed directorships in the past three years.

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MS. PAULA SMITH (Resigned 19 August 2022)
Non-Executive Director & Company Secretary

Ms. Smith is a finance professional with over 17 years' experience and is presently a director of a consulting and secretarial advisory firm specialising in business advisory, consulting and back-office support (finance and secretarial) to SMEs and ASX listed entities. Prior to that Ms. Smith held senior roles in advisory firms KordaMentha and Ernst & Young. Ms. Smith holds a Bachelor of Commerce/Law (Hons), is a qualified Chartered Accountant and a Graduate of the Australian Institute of Company Directors.

She has not held any other listed directorships over the past three years.

MR. ROBIN WILSON (Appointed 6 October 2022)
Technical Director

Mr Wilson has held senior exploration positions in several exploration and mining companies, including Polaris Metals, Tanganyika Gold, Troy Resources, CRA Exploration and Northern Minerals. He has also spent 5 years working in oil and gas exploration for Woodside Energy.

During nearly 30 years of involvement in mineral exploration, Mr Wilson has worked on gold, nickel, REE, uranium, copper, lithium and phosphate projects throughout Australia, Africa, South America and North America and was involved in the initial discovery and outlining of several gold deposits in Australia. Between 2006 and 2021 he led the Northern Minerals exploration team that discovered the Browns Range REE deposits that have advanced through development to production of HRE carbonate.

He has not held any other listed directorships over the past three years.

MR. JOE GRAZIANO (Appointed 19 August 2022)
Company Secretary

Mr. Graziano has over 30 years' experience providing a wide range of business, financial and strategic advice to small cap unlisted and listed public companies as well as privately owned businesses in Western Australia's resource driven industries, particularly mining, banking and finance, professional services and logistics. He has the knowledge and experience in Corporate Advisory. He also has experience in Mergers & Acquisitions, Capital Raisings, ASX compliance and regulatory requirements as well as Family Offices and Investment Advisory Boards.

Interests in the Securities of the Group

As at the date of this report, the interests of the Directors in the securities of Valor Resources Limited are:

Director	Ordinary Shares	Performance Rights
Mr. George Bauk	132,333,333	30,000,000
Mr. Gary Billingsley	30,000,000	15,000,000
Mr. Robin Wilson	9,565,000	60,000,000

Results of Operations

The Group's net loss after taxation attributable to the members of Valor Resources Limited for the year ended 30 June 2023 was $1,615,685 (2022: $2,442,652).

Dividends

No dividend was paid or declared by the Group during the year and up to the date of this report (2022: Nil).

Corporate Structure

Valor Resources Limited is a company limited by shares which is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities

The principal activities of companies within the Group during the financial year were mineral exploration and examination of new resource opportunities.

Material Business Risk

Foreign Exchange Risk

Given the company is operating in overseas markets such as Canada it is exposed to foreign currency movements that can adversely effect transactions. As the company is predominantly an exploration company it works to mitigate the foreign exchange risk by funding those operations through the Canadian market via flow-through funding that reduces the exposure to foreign currency movements. Furthermore, it carefully manages any exchange movements by holding funds in USD or Canadian dollars.

Market Volatility Risk

The Company is currently focused on Uranium exploration and holds investments in copper exploration. The company attempts to mitigate market volatility by diversification of its interests in commodities. This diversification strategy has assisted in reducing the volatility, however, market risks pose ongoing risks for all companies and the board continually assesses these risks as part of their corporate governance and responsibilities.

Regulatory Risks

Operating in overseas jurisdictions provides risks to the company due to unforeseen changes to the legal landscape. The company mitigates this risk through external advisors and key understanding of the requirements of the legislative landscape we are operating in. The board and management continually monitor the legal requirements associated with holding tenure in foreign jurisdictions to ensure we are meeting all the necessary hurdles and obligations associated with that tenure.

Review Of Operations

Valor has focused on its portfolio of uranium properties in Canada and the Picha Copper Project located in Peru.

In Canada, the Company is the 100% owner of 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. It also owns a 100% equity interest in 20 contiguous mineral claims covering 57,565 hectares in northern Saskatchewan, referred to as the Cliff Lake Uranium Project. The Cluff Lake Project 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 Hidden Bay Uranium Project comprises one mineral claim of 3,190 hectares located 20km southeast of the historical Rabbit Lake Uranium mine. There are five additional projects within or close to the Athabasca Basin with 100% equity interest in 15 mineral claims covering 13,220 hectares at the Surprise Creek Project, Pendleton Lake Project, Smitty Uranium Project and the Lorado Uranium Project. The recently staked Beatty River Rare Earth Project comprises two mineral claims covering 576 hectares.

Valor's Peruvian subsidiary, Kiwanda SAC holds the rights to the Picha and Charaque Projects located in the Puno and Moquegua Departments of Peru, 17km ENE of the Buenaventura (NYSE:BVN) owned San Gabriel gold-copper deposit. The Picha and Charaque projects comprise twenty granted mining concessions for a total of 16,500 hectares (165km^2) as well as another 15 mining concessions under application and awaiting title which cover a total of 12,500 hectares (125km^2).

Canadian Uranium Projects – Athabasca Basin:

In Canada, the Company's primary focus has been on the Cluff Lake, Hidden Bay, Hook Lake and Surprise Creek Projects.

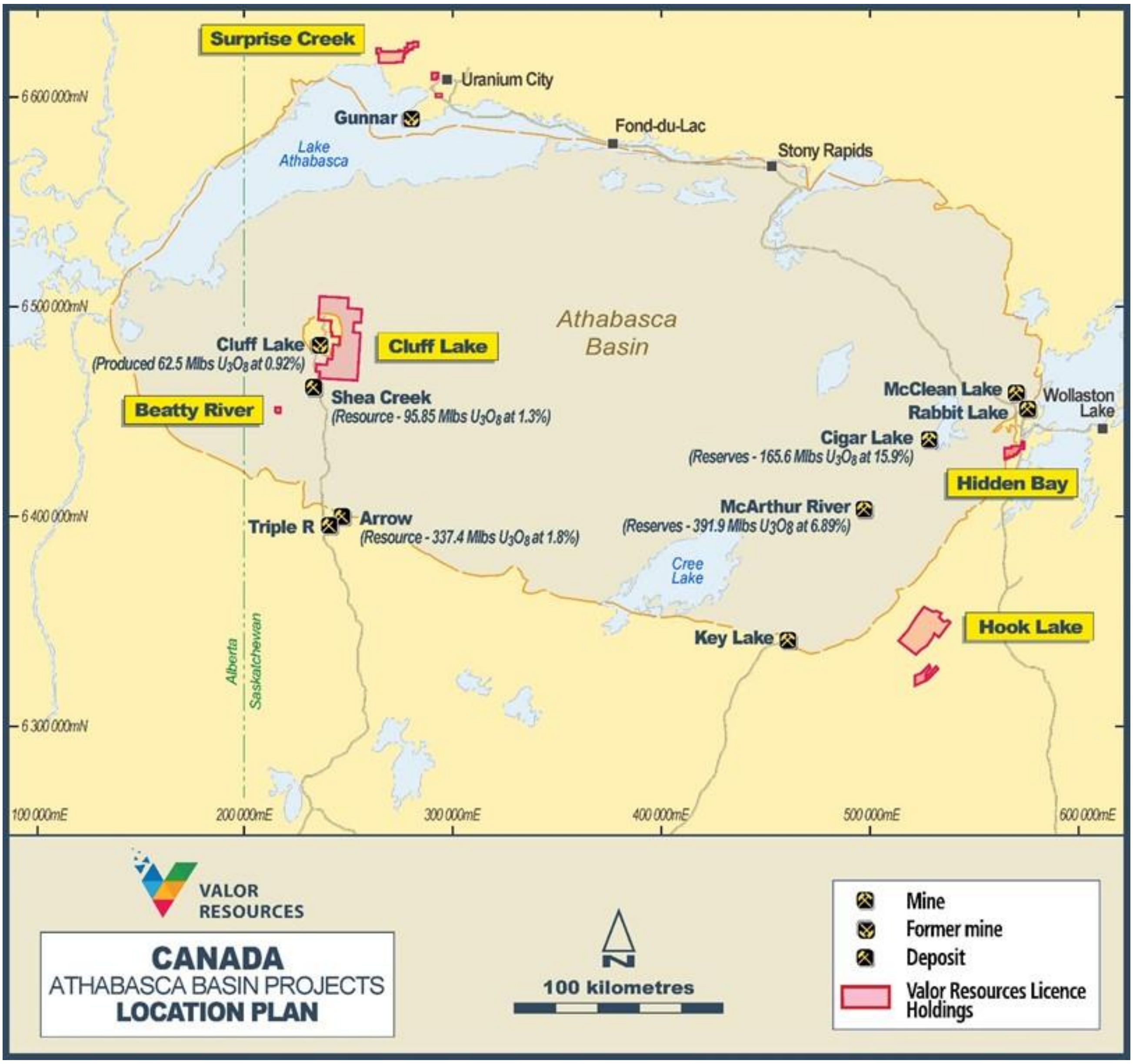

Figure 1: Canada Project Locations

Hidden Bay

(reported in ASX announcements dated 9th August 2022 and 17th November 2022)

The Hidden Bay Project is located around 20km south-east of the Rabbit Lake Uranium Mine and 13km south of the Raven-Horseshoe uranium deposits. Work completed during the year was as follows:

- Review and interpretation of airborne gravity data from a survey completed in June identified six priority targets. All targets are located proximal to identified structural features with five of the targets identified close to the regional Athabasca unconformity that is identified as a primary control on uranium mineralisation.
- A radon-in-soil survey was completed in September with radon anomalies partly co-incident with the gravity targets.
- Follow-up field program and further radon surveys proposed, with drilling planned for late 2023 or early 2024.
- Planning for a drilling program at Hidden Bay has commenced with the submission of an exploration permit application to the Saskatchewan Ministry of Environment, which includes a diamond drilling program.

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Surprise Creek

(reported in ASX announcements dated 13th October 2022, 22nd November 2022, 22nd December 2022 and 12th February 2023):

The Surprise Creek Uranium Project is located near the Beaverlodge Uranium District in northern Saskatchewan, Canada. Work completed during the year was as follows:

- Rock chip sampling and reconnaissance geological mapping was completed in July 2022 with a follow-up program in October.
- An area of surface uranium mineralisation has been identified at Surprise Creek over a strike length of around 500m at the Surprise Creek Fault target, based on results received from the field programs completed in July and October.
- Several surface samples returned assays above 1% U_3O_8 with associated copper, including: 7.98% U_3O_8 and 0.67% Cu, 6.83% U_3O_8 and 0.17% Cu, 3.35% U_3O_8 and 0.04% Cu
- Geological mapping has confirmed the proximity of uranium mineralisation to an unconformity and a spatial association with the north-south trending Surprise Creek Fault, highlighting strong geological similarities with significant uranium deposits in the Beaverlodge Uranium District such as Fay-Ace and Gunnar.
- Samples were also taken from a widespread area of copper mineralisation discovered in the western half of the project area, with several samples returning assays of between 0.4% Cu and 1% Cu and up to 61.7% Cu.
- As a result of the identification of copper mineralisation, the project area was expanded to the west with three new mineral claims covering an area of nearly 44km^2 staked, covering three historical copper showings – Bob Lake, Ellis Bay and Waterloo.
- An historical data review highlighted historical drilling results at Bob Lake of 9m @ 2.07% Cu and 27.3g/t Ag from surface and 2.5m @ 5.58% Cu and 17.43g/t Ag from 6.1m, and at Ellis Bay up to 6.6m @ 1.31% Cu from 11m and 4m @ 0.60% Cu from 8m.

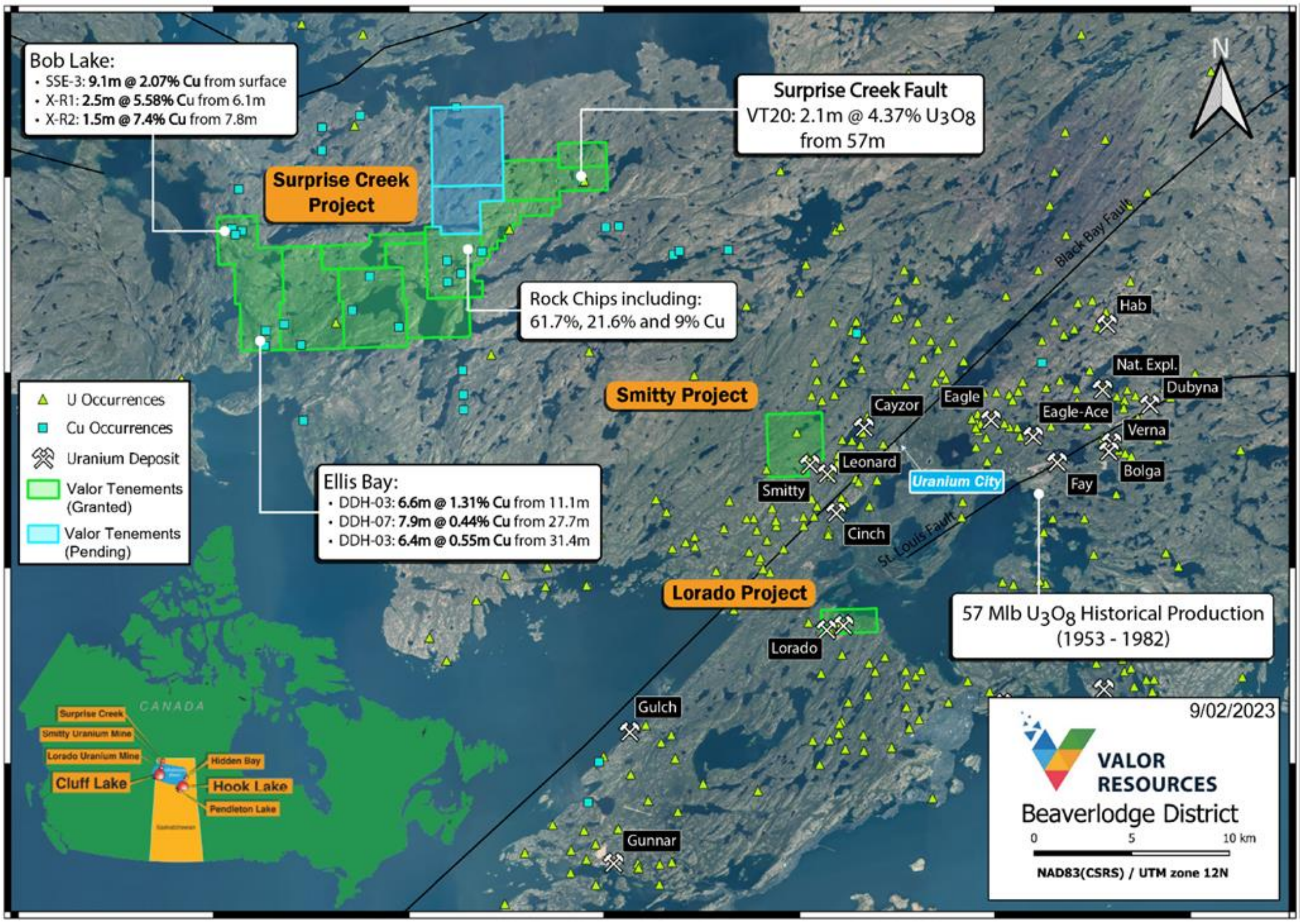

Figure 3: Surprise Creek Project – Location and historical exploration results

Hook Lake

(reported in ASX announcement dated 21st September 2022)

Work completed during the year was as follows:

- Eleven new targets were identified from an airborne gravity gradiometry survey completed earlier in 2022. On-ground checking of some of these targets was completed in August.
- Final assay results were received for the Hook Lake diamond drilling completed from earlier in the year. Anomalous results were received for three of the six holes drilled at the S-Zone prospect, with the best result in DDHL22-002 with 2.5m from 105.5m @ 160ppm U_3O_8.
- Follow-up work in the form of radon surveys and lake sediment sampling are currently being planned over the highest-priority targets.

Cluff Lake

(reported in ASX announcement dated 8th February 2023)

The Cluff Lake Project is located 7km east of Orano's Cluff Lake Mine, which produced 62.5Mlbs @ 0.92% U3O8 and 5km from Orano's/UEX's Shea Creek deposits, which combine to form one of the largest undeveloped uranium resources in the Athabasca Basin. Work completed was as follows:

- Following on from the airborne gravity survey completed in June 2022, four priority targets were identified at the Cluff Lake Uranium Project. The target identification process included a comprehensive review of all available historical exploration data.
- Two of the targets are located at the Moose Lake prospect which are prioritised for drill testing. Exceptionally high-grade rare earth element (REE) assays of up to 9.15% TREO were returned from on-ground field checking of targets and surface sampling of historic trenches at the Moose Lake prospect.
- Follow-up field program proposed including radon surveys over targets before drilling later in 2023 or 2024.

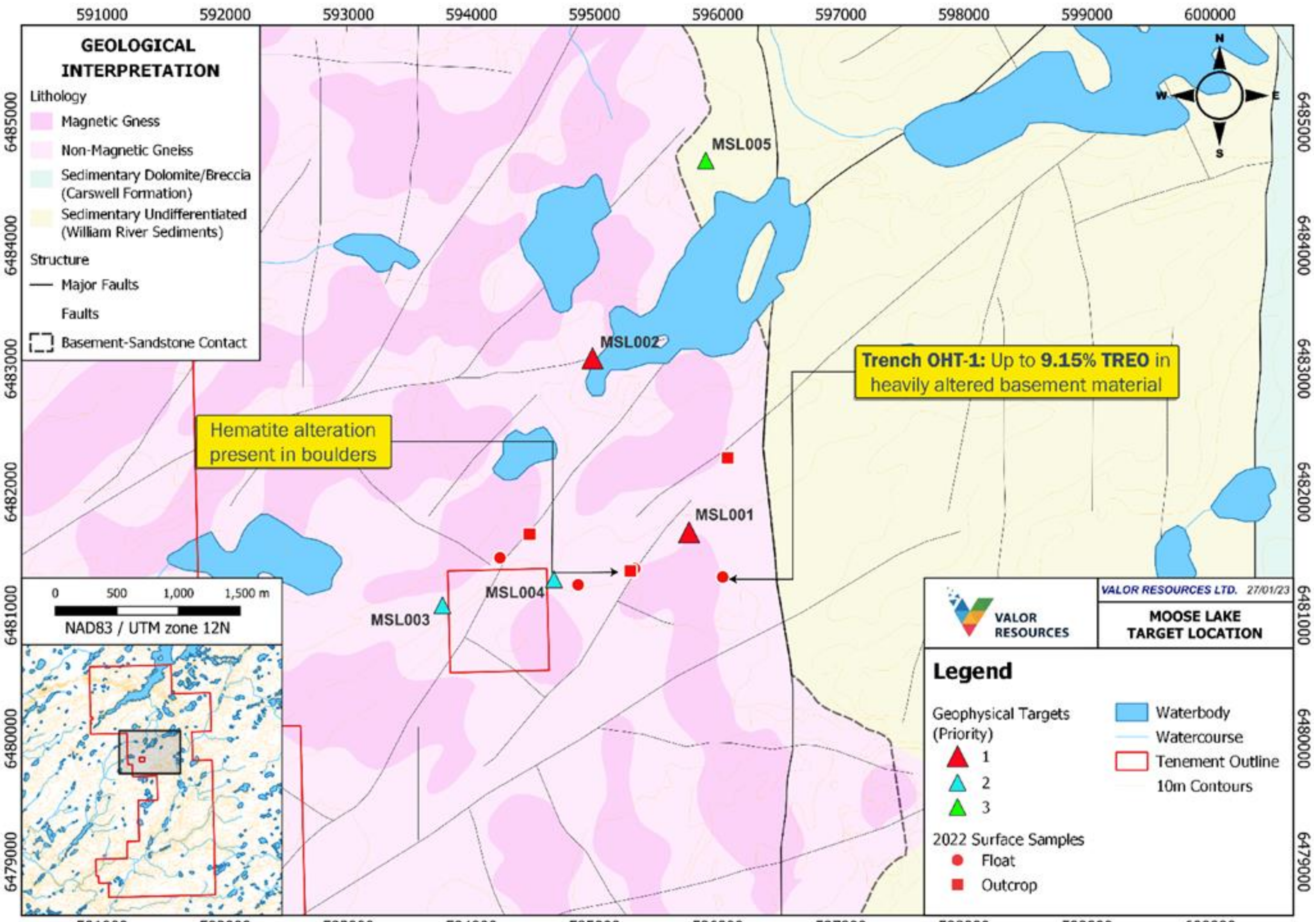

Figure 4: Cluff Lake Project – Moose Lake prospect showing geophysical targets and surface sampling

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Smitty Project

The Smitty Project (8.5km^2) includes part of the historic Smitty Uranium Mine, which is located 4km west of Uranium City. Historical reports state that disseminated pitchblende mineralisation was mined over a strike length of 150m, maximum width of 4.6m and to a depth of 230m between 1953 and 1960. Mineralisation occurs within a breccia mylonite zone along the northeast-trending Boom Lake Fault.

Lorado Project

The historical Lorado Uranium Mine is located 10km south of Uranium City and was in production between 1954 and 1960. Underground mining of pitchblende and secondary uranium mineralisation associated with disseminated pyrite and chalcopyrite was conducted along a strike length of 200m to a depth of 213m.

Pendleton Lake Project

The Project comprises four claims which cover an area of 3,758 hectares (37.5km^2). The claims are positioned just to northeast along strike from the Janice Lake Sedimentary Copper Project which was being explored by Rio Tinto Exploration Canada**.** The Project is also located just 10km south of the Company's Hook Lake Project.

There are several historical uranium occurrences recorded within the Project all of which lie along the Needle Falls shear zone, a major regional-scale shear zone which traverses the southeast margin of the Project. Limited exploration has been completed along this structure and no exploration has been reported since the late 1970s.

Beatty River Project

(reported in ASX announcement dated 11th May 2023)

The Beatty River Project was staked in May 2023 and comprises two mineral claims (MC00017128, 17129) covering an area of approximately 576 hectares (5.76km2). The claims are located approximately 25km south-west of the Company's Cluff Lake Uranium Project within the Athabasca Basin. The claims cover a HRE mineralised outcrop (SMDI 2141) comprising xenotime within Athabasca Basin sandstones (referred to as Area 10).

A review of historical data was highlighted by trenching and surface sampling by previous explorers who reported assays up to 8.75% TREO with up to 1.15% Dy2O3. The dominant rare earth mineral is xenotime, with heavy rare earths consistently comprising >90% of TREO. Limited, wide-spaced shallow drilling (14 holes for 1,002m) was completed in 2010, which intersected zones of strong hematite alteration but no significant REE mineralisation. Valor considers that this drilling did not adequately test the target zones and wider area for REE mineralisation given the geological model for hydrothermal unconformity-related REE deposits.

The mineralisation style and geological setting share similarities with hydrothermal unconformity-related REE deposits such as Northern Minerals' (ASX:NTU) Browns Range Project in WA and Maw Zone in the eastern Athabasca Basin.Valor is currently in the process of completing a detailed compilation and review of all the Beatty River historical exploration and geological data to determine the on-ground field program in 2023. The initial highest priority will be to confirm the xenotime mineralisation at Area 10 and other REE occurrences within the claims, along with geological mapping, ground radiometrics and systematic sampling.

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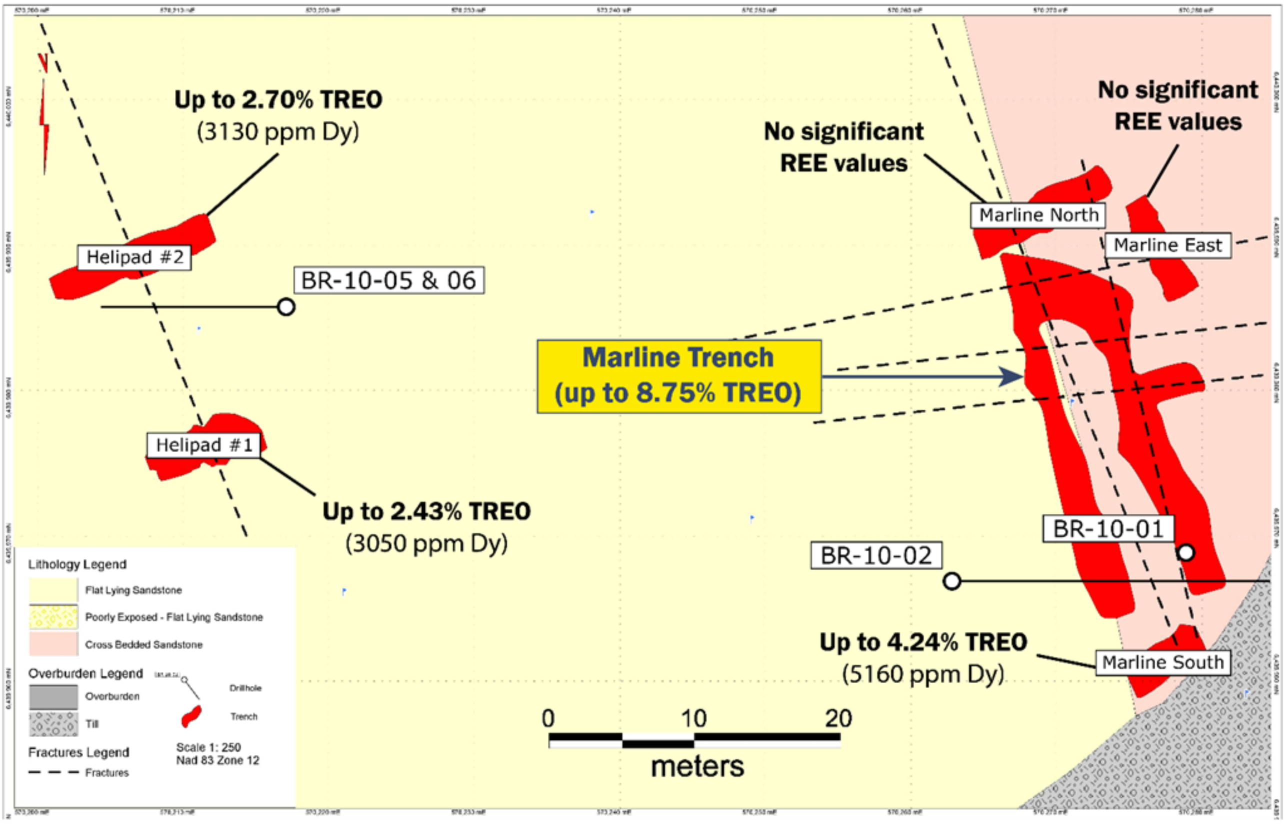

Figure 5: Beatty River Project – Historical Area 10 prospect showing historical drilling and surface sampling (highest TREO values labelled)

Peruvian Copper Silver Projects

Picha Project

(reported in ASX announcement dated 14th Feb 2023)

Valor holds the rights to the Picha Project located in the Moquegua Department of Peru through its 100% owned Peruvian subsidiary, Kiwanda SAC. During the year, as a result of ongoing exploration results, the Company has expanded its landholding at Picha from 20km^2 to around 200km^2.

The Company has completed extensive on-ground exploration at the Picha Project in Peru in the last 6 months including:

- Further rock chip and channel sampling which has confirmed Ichucollo as a priority drill target, with channel sample results of 24m @ 1.08 % Cu and 3.9g/t Ag and 13.1m @ 1.38 % Cu and 10.22g/t Ag including 6m @ 2.40% Cu and 20.21g/t Ag.
- Sampling at the Maricate, Cumbre Coya and Fundición prospects which has further enhanced the prospectivity of these targets with channel samples of:
  - Maricate: 2.0m @ 1.18% Cu and 13.9g/t Ag; 6m @ 1.55% Cu and 13.8g/t Ag; 4.0m @ 2.15% Cu and 84.5g/t Ag; 2.0m @ 3.39% Cu and 56g/t Ag; 2.0m @ 1.27% Cu and 57g/t Ag;
  - Cumbre Coya: 2m @ 1.15% Cu and 11.6g/t Ag; 2m @ 1.51% Cu and 20.4g/t Ag; and
  - Fundición: 2m @ 0.91% Cu and 9.67g/t Ag.
- New targets discovered at the Cuti and Fundición South prospects, following the latest phase of surface sampling.
  - New target at Cuti highlighted by outcropping volcanic breccia with channel sample results of 6m @ 0.66% Cu and 4.66 g/t Ag
  - Soil sampling at Cuti has also highlighted a significant geochemical gold anomaly.
  - New target confirmed south of Fundición with channel samples of up to 2m @ 3.31% Pb, 38.9g/t Ag and 0.32 % Cu and 0.2m @ 7.09% Pb,18.36% Zn and 13.9g/t Ag. (All results listed above were reported in the ASX announcement dated 14th February 2023)
- An IP (Induced Polarisation)/Resistivity survey was completed at the Picha Project in September (reported in ASX announcement dated 26th October 2022). Large IP chargeability anomalies were identified at both the Ichucollo Target and Huancune Target, adding further to the cluster of coincident

geophysical/geochemical targets already delineated. Combined strike length of the Ichucollo and Huancune IP anomalies and the existing IP anomaly identified in the 2021 IP survey, is over 6km. The IP anomalies at both Ichucollo and Huancune are coincident with significant surface copper mineralisation.

- Picha Project has increased in size from 200km² to 230km² following the identification of further targets to the northeast and east of the existing concessions.
- In March 2023 the Peruvian Ministry of Energy and Mines issued the DIA – "Declaracion de Impacto Ambiental" (an Environmental Impact Statement for Exploration) for the Picha Copper Project in Peru, allowing for up to 120 holes to be drilled within the approved Effective Area. Valor's maiden proposed drilling program, comprising 5,000m of diamond drilling, has been planned to initially test four key targets – Cobremani, Cumbre Coya, Maricate and Fundicion.

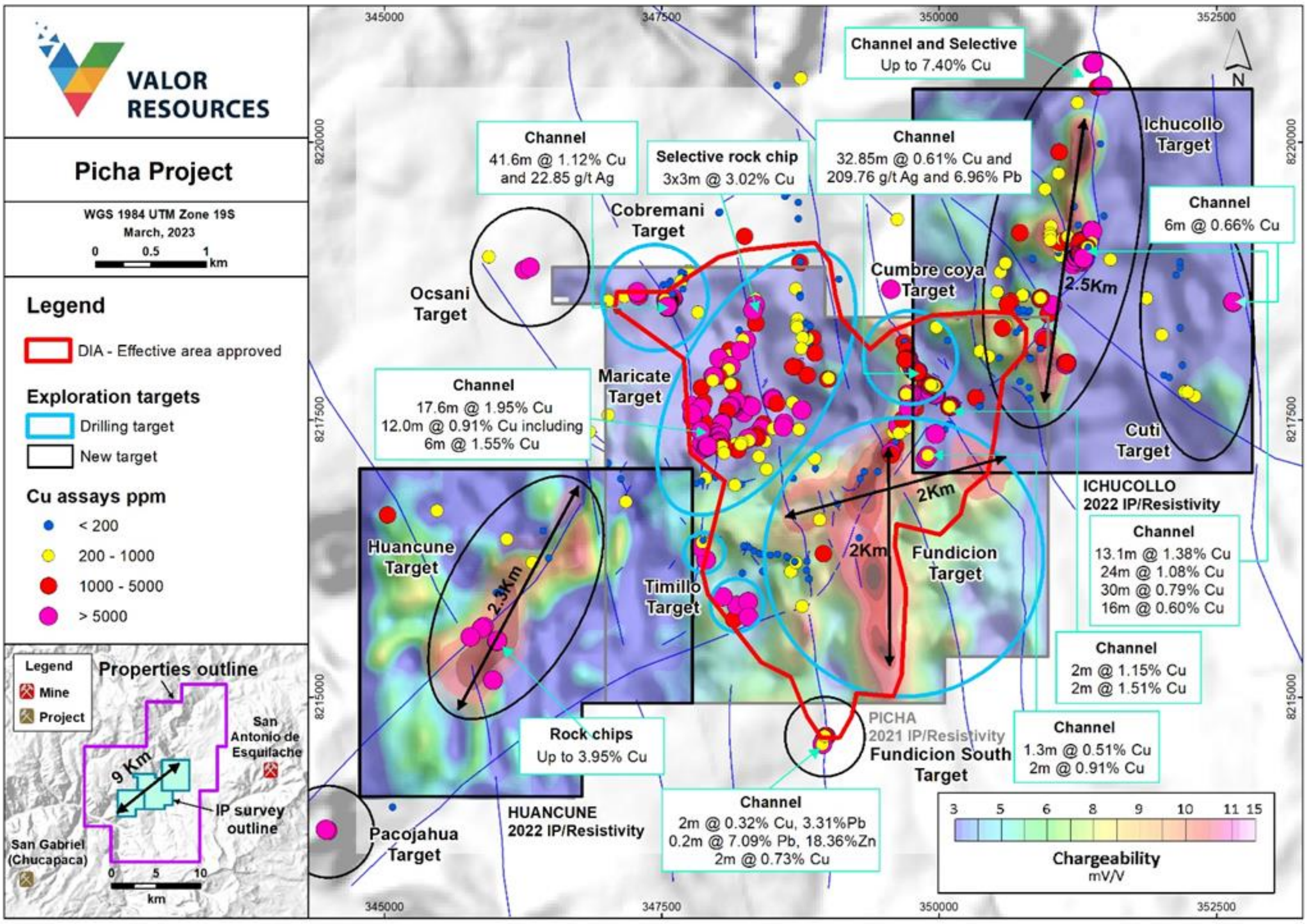

Figure 6: Picha Project - Target areas, sampling locations and IP chargeability (100m depth slice with 3D inversion model overlain)

Charaque Project

(reported in ASX announcements dated 14th Feb 2023 and 26th June 2023)

The Company has also commenced early-stage exploration on the Charaque Project in Peru. Reconnaissance exploration at the Charaque Project has confirmed the potential of this area, with anomalous assay results returned from two target areas – Arco and Huallatani. The most recent surface sampling assay results have increased the footprint of the stratabound mineralisation at Arco to almost 3.5km. Reconnaissance geological mapping together with the most recent assay results has provided evidence for epithermal and/or porphyry-related gold and silver mineralisation within this area.

On 26 June 2023, the Company announced it had signed an Earn-In Agreement with Barrick Gold Corporation granting a 5-year option for Barrick to acquire a 70% interest in the Charaque Project.

ESG

Environment

At Valor, our respect for the environment is a critical component of our approach to business. Without attention to environmental matters, there is no licence to operate. Every member of the Valor team takes pride in ensuring work programs are completed in an environmentally responsible manner. Communication is a key component of the Company's approach, ensuring all stakeholders are aware of the Company's activities and its commitment to the environment.

Social

At Valor, as part of our exploration we are committed to considering all stakeholder interests. We believe it is essential to develop good relationships with local communities early in the exploration process and continue to develop those relationships to ensure we have a long-term sustainable future together.

The Board and Management along with our employees and consultants are aligned with our commitment to local communities to ensure we optimise value for our efforts.

Canada

Members of the local Wollaston community were employed in the rehabilitation activities following on from the drilling Program conducted at the Hook Lake Project in early 2022.

Peru

ver the past 12 months, the exploration team in Peru has been continued to engaged with the local community, providing regular updates on the project activities, seeking community consultation, providing employment opportunities and facilitating community events such as a Christmas party. Agreements with local landowners are in place for 100% of the DIA Effective Area for a period of five years, allowing the Company to access and drill the Effective Area within the Project.

Corporate Governance

At Valor, we believe good governance is simply good business. Valor Resources is committed to excellence in corporate governance through our sound policies and procedures. We ensure we fulfil all governance requirements, striving for excellence at every stage.

In recognising the need for the highest standards of corporate behavior and accountability, the Board supports and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Valor Resources Limited is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year ended, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Group. The Group's Corporate Governance Statement and disclosures can be downloaded from the Company's website at www.valoreresources.com.au/CorporateGovernance.

Corporate

During the year, the Company announced a change in Company Secretary whereby Mr Joe Graziano would be appointed and Ms Paula Smith resigned from the position along with ceasing to be a Non-executive Director. Furthermore, Mr Robin Wilson was appointed to the position of Technical Director and Mr Brian McMaster resigned as a Non-executive Director.

On 18 October 2022, the Company issued 67,500,000 fully paid ordinary shares upon the conversion of Director Performance Rights whereby the attached milestones had vested in the prior period.

On 29 November 2022, the Company announced that all resolutions put forward at the AGM passed successfully.

On 15 February 2023, the Company announced the lapse of 174,166,667 unlisted performance rights as the conditions were not met, or incapable of being satisfied and also due to the cessation of employment.

On 16 February 2023, the Company announced it had entered into a binding agreement for the acquisition of 1388068 B.C. Ltd, the holder to the right of two claims prospective for copper and uranium. The acquisition settled on 20 February 2023 with the Company paying the vendors $14,285 in cash and 40,000,000 ordinary shares at an issue price of $0.005 and a further 10,000,000 deferred consideration shares for 100% of the issued capital of 1388068 B.C. Ltd, the owners of the two tenements. 2,000,000 ordinary shares were also issued for consulting services provided in lieu of cash consideration.
On 20 February 2023, the Company issued 70,000,000 performance rights to directors, employees and consultants as approved by shareholders at the AGM on 29 November 2022 and under the company's long term incentive plan.

On 19 April 2023, the Company issued 30,000,000 shares and advised it would make a C$50,000 cash payment to complete the second anniversary payment to Skyharbour Resources Limited (TSXV: SYH) under its farm-in agreement at the Hook Lake Uranium project. Valor has also completed its expenditure commitments under the earn-in, being C$3.5 million over a 3-year period. Following the drill campaign completed in 2022, together with the airborne gravity survey completed last year, the Company has met its exploration expenditure commitments under the agreement. The final payment of C$175,000, due in February 2024, is the last hurdle before the Company earns its 80% interest in the Hook Lake Project.

On 26 June 2023, the Company announced it had signed an Earn-In Agreement with Barrick Gold Corporation granting a 5-year option for Barrick to acquire a 70% interest in the Charaque Project for cash payments totalling US$800,000 and exploration spending incurred of US$3,000,000 consisting of:

- an upfront cash payment of US$200,000 upon granting of the option;
- payments of US$100,000 each on the first, second, third and fourth anniversary dates (totalling US$400,000),
- $US200,000 to complete the Earn-in interest;
- incur exploration spending of a minimum of US$3,000,000 with a guaranteed minimum expenditure during the first two years of US$500,000;

Barrick may earn an additional 10% interest (totalling 80%) by exercising a second option with a US$1,000,000 cash payment, sole fund all costs and deliver to Valor Resources a Pre- Feasibility Study.

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

Significant Changes in the State of Affairs

Other than noted above, in the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Competent Person's Statement

The information in this document that relates to Exploration Results is based on information compiled by Mr Robin Wilson who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a consultant and Technical Director for Valor Resources and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Wilson consents to the inclusion of this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information reported in the original market announcements and that all material assumptions and technical parameters underpinning the results in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Significant Events After the Reporting Date

On 5 July 2023 the Company announced it had executed a Binding Terms Sheet with ASX-listed Firetail Resources (ASX:FTL) for the divestment of up to 80% of the issued capital of Kiwanda S.A.C (Kiwanda), a wholly-owned subsidiary which holds the mining concessions that make up the Picha and Charaque Projects in Peru (Acquisition).

The total consideration payable by pursuant to the Acquisition is as follows:

- a $200,000 cash Exclusivity Fee which was received by the Company on 3 July 2023 ("Exclusivity Fee");
- a $550,000 cash payment payable upon completion ("Cash Consideration");
- 15,000,000 fully paid ordinary shares Firetial ("Shares") at a deemed issue price of $0.10 per Share to be issued to Valor upon completion ("Consideration Shares") to acquire an initial 60% shareholding interest in Kiwanda; and
- 20,000,000 performance rights at completion convertible into Shares upon the satisfaction of the vesting conditions as set out in Appendix A ("Performance Rights") following which the Company will acquire an additional 20% interest in Kiwanda (i.e., 80% in total).

Firetail received shareholder approval for the Acquisition pursuant to ASX Listing Rule 7.1 for the issue of the respective securities pursuant to the Acquisition as outlined above on 21 August 2023.

On 15 August 2023 the Company issued 23,300,000 fully paid ordinary shares to service providers in lieu of cash consideration.

On 15 August 2023 the Company converted 2,000,000 vested performance rights into fully paid ordinary shares. The shares vested under an employee long term incentive scheme where milestones have been achieved.

There were no other known significant events from the end of the financial year up to the date of this report.

Likely Developments and Expected Results of Operations

In the opinion of the Directors, there is nothing else to report, except as outlined in the Directors' Report, which relates to likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to 30 June 2023.

Environmental Regulations and Performance

The Group carries out operations that are subject to environmental regulations under legislation in Peru and Canada. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

Shares Under Option

As at the date of this report, there are 71,583,333 unissued ordinary shares under options. The details of the options at the date of this report are as follows:

Number	Exercise Price $	Expiry Date
20,583,333	$0.015	11/02/2024
51,000,000	$0.020	21/02/2024

On 28 November 2022, shareholders approved the issuance of 51,000,000 unlisted options with an exercise price of $0.02 per share and an expiry of 21 February 2024 to Brokers of the Company for facilitation of capital raising activities. On 3 May 2023 25,000,000 unlisted options with an exercise price of $0.015 expired unexercised. No option holder has any right under the options to participate in any other share issue of the Group or any other entity.

Indemnification and Insurance of Directors and Officers

The Group has made an agreement indemnifying all the Directors and officers of the Group against certain losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Group to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes willful acts of negligence and insolvency. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

Directors' Meetings

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. George Bauk	4	4
Mr. Gary Billingsley	4	4
Mr. Brian McMaster (resigned 6 October 2022)	2	2
Ms. Paula Smith (resigned 19 August 2022)	1	1
Mr. Robin Wilson (appointed 6 October 2022)	3	3

In addition to the formal meetings of directors above, the Board has held numerous discussions throughout the year and passed circular resolutions on all material matters.

Proceedings on Behalf of Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Board with an Independence Declaration in relation to the audit of the full year financial statements. A copy of that declaration is included in this report. There were no non audit services provided by the Group's auditor during the year ended 30 June 2023.

Audited Remuneration Report

This report outlines the remuneration arrangements in place for directors and executives of the Group in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Key Management Personnel

Mr. George Bauk	Executive Chairman
Mr. Gary Billingsley	Non-Executive Director
Mr. Brian McMaster	Non-Executive Director (Resigned 6 October 2022)
Ms. Paula Smith	Non-Executive Director and Company Secretary (Resigned 19 August 2022)
Mr. Robin Wilson	Technical Director (Appointed 6 October 2022)

Remuneration Policy and Link to Performance

The Board is responsible for determining remuneration policies applicable to Directors and Senior Executives of the Group. The Board policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the Board to the Group's financial performance.

The Board currently determines the nature and amount of remuneration for Board members and senior Executives of the Group. The policy is to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives such as options and performance shares.

The Board policy is to remunerate Non-Executive Directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No independent external advice was sought during the year ended 30 June 2023.

Directors are entitled to draw Director's fees and receive reimbursement of reasonable expenses for attendance at meetings. The Group is required to disclose in its annual report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is $300,000. This amount cannot be increased without the approval of the Group's shareholders. Please refer below for the remuneration report within the Directors' Report for details regarding the remuneration structure of the Executive Director and senior management.

The table below shows the performance of the Group as measured by loss per share for the last 5 financial years:

As at 30 June	2023	2022	2021	2020	2019
Loss per share (cents)	(0.043)	(0.103)	(0.103)	(0.160)	(0.217)
Share Price	$0.003	$0.005	$0.01	$0.002	$0.005

There is no link between the loss per share and remuneration.

Elements of Remuneration

Short-Term Incentives

Short-term incentives in regards to the current financial year include fees paid for services to Directors.

Long-Term Incentive

During the year, shareholders approved 60,000,000 Performance Rights to be issued to the Directors with various tranches and milestone hurdles.

Details of Remuneration

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

2023	Short term		Share based payments		Post-employment			
	Base Salary $	Other $	Performance Rights $	Options $	Superannuation $	Benefits $	Total $	Performance Related %
Executive Director								
Mr. George Bauk	180,000	-	-	-	-	-	180,000	-
Non-Executive Directors								
Mr. Gary Billingsley	60,000	-	-	-	-	-	60,000	-
Mr. Brian McMaster[1]	21,000	-	-	-	-	-	21,000	-
Ms. Paula Smith[2]	5,532	-	-	-	-	-	5,532	-
Mr. Robin Wilson[3 4 5]	18,000	149,549	352,500	-	-	-	520,049	67.8
	284,532	**149,549**	**352,500**	**-**	**-**	**-**	**786,581**	**44.8**

[1] Mr. McMaster resigned as a Non-Executive Director on 6 October 2022.

[2] On 19 August 2022, upon Ms. Smith resigning as Company Secretary and as Non-executive Director, 7,500,000 Performance Rights lapsed as the cessation of employment condition was not satisfied. During the year, the Company recognised a reversal of the expense of $105,000 in the statement of profit or loss.

[3] 60,000,000 performance rights were issued to key management personnel as approved at the Company's Annual General Meeting on 29 November 2022.

[4] Mr. Wilson was appointed as a Non-Executive Director on 6 October 2022.

[5] Orex Pty Ltd, a company of which Mr. Wilson is a director, provided the Group with Geological Consulting services totalling $149,549.

At 30 June 2023, director fees outstanding and unpaid to Mr. Bauk totalled $63,333 (2022: $33,333), to Mr. Billingsley totalled $18,000 (2022: $6,000), to Mr McMaster totalled $nil (2022: $nil), to Ms. Smith totalled $nil (2022: $3,500) and to Mr. Wilson $9,000 (2022: $nil). There were no other executive officers of the Group during the financial year ended 30 June 2023.

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the prior financial year are as follows:

2022	Short term		Share based payments		Post-employment			
	Base Salary	Other	Performance Rights	Options	Superannuation	Benefits	Total	Performance Related
	$	$	$	$	$	$	$	%
Executive Director								
Mr. George Bauk	150,000	-	-	-	-	-	150,000	-
Non-Executive Directors								
Mr. Gary Billingsley	52,000	-	-	-	-	-	52,000	-
Mr. Brian McMaster	84,000	-	-	-	-	-	84,000	-
Ms. Paula Smith	24,909	-	213,000	-	-	-	237,909	89.5
	310,909	**-**	**213,000**	**-**	**-**	**-**	**523,909**	**40.7**

Shareholdings of Directors

The number of fully paid ordinary shares in the Group held during the financial year held by each Director of the Group, including their personally related parties, is set out below.

2023	Balance at start of year	On appointment to Board	On exercise of options	Other changes	On resignation from the Board	Balance at end of year
Mr. George Bauk	42,333,333	-	-	60,000,000[1]	-	102,333,333
Mr. Gary Billingsley	-	-	-	-	-	-
Mr. Brian McMaster[2]	204,030,143	-	-	-	204,030,143	-
Ms. Paula Smith[3]	58,474,091	-	-	-	58,474,091	-
Mr. Robin Wilson	-	2,065,000	-	7,500,000[1 4]	-	9,565,000

[1] 67,500,000 performance rights issued to key management personnel and consultants in February 2021 and July 2021 respectively vested and were converted to an equivalent number of fully paid ordinary shares on 18 October 2022.

[2] Mr. McMaster resigned as a Non-Executive Director on 6 October 2022.

[3] Ms. Smith resigned as a Non-Executive Director on 19 August 2022.

[4] 7,500,000 consultant rights were issued to Mr. Wilson in 2021 prior to his appointment as Technical Director on 6 October 2022.

Option Holdings of Directors

The numbers of options over ordinary shares in the Group held during the financial year by each Director of the Group, including their personally related parties, was nil.

Performance Rights Holdings of Directors

On 19 August 2022, upon Ms. Smith resigning as Company Secretary and as Non-executive Director, 7,500,000 Performance Rights lapsed as the cessation of employment condition was not satisfied. During the year, the Company recognised a reversal of the expense of $105,000 in the statement of profit or loss.

On 18 October 2022, the Company announced that 60,000,000 Tranche 1 & 2 vested Director Rights for Mr Bauk and 7,500,000 vested Consultant Rights for Mr Wilson were converted into fully paid ordinary shares. No expense was recorded in the year as the expense was fully incurred in prior periods.

On 28 November 2022 at the Company's Annual General Meeting, shareholders approved 60,000,000 Director Performance Rights to Mr Wilson as a performance-based incentive for services to the Company. During the year, the Company recognised an expense of $352,500 in the statement of profit or loss.

The Performance Rights will vest and be convertible to shares on achievement of the following performance milestones:

(i) Tranche 1 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieving a 20-day VWAP of $0.015;

(ii) Tranche 2 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieves a 20-day VWAP of $0.025;

(iii) Tranche 3 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieves a 20-day VWAP of $0.03;

(iv) Tranche 4 of 17,000,000 performance shares with a vesting condition of the Company achieving a market capitalisation of $100 million.

For vesting to occur, the Milestones for each Tranche must be achieved within 3 years of issue of the Performance Rights. Once vested, the Director Rights must be converted into Shares within 2 years of vesting, at the holder's absolute discretion.

The fair value at the grant date of the performance rights was determined using the Tri-nominal pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option. The fair value of the performance rights was $352,500, which has been recorded in the income statement in the current period.

The model inputs for the performance rights during the half-year ended 30 June 2023 included:

(a) share price at grant date was $0.007;
(b) expected volatility of 130%;
(c) expected dividend yield of nil; and
(d) a risk-free interest rate of 3.24%

At the date of this report, the performance milestones for Mr Wilson have not yet been acheieved.

The numbers of performance rights over ordinary shares in the Group held during the financial year by each Director of the Group, including their personally related parties, are set out below:

2023	Balance at start of year	Expired during the year	Granted during the year	Balance at end of year	Vested rights		Maximum value yet to vest	Unvested
					Exercisable	Un-exercisable		
Mr. George Bauk	120,000,000	-	-	60,000,000	60,000,000	-	-	-
Mr. Gary Billingsley	60,000,000	(30,000,000)	-	30,000,000	30,000,000	-	-	-
Mr. Brian McMaster	-	-	-	-	-	-	-	-
Ms. Paula Smith	15,000,000	(15,000,000)	-	-	-	-	-	-
Mr. Robin Wilson	-	-	60,000,000[1]	60,000,000[1]	-	-	-	60,000,000

[1] 60,000,000 performance rights were issued to key management personnel as approved at the Company's Annual General Meeting on 29 November 2022.

Other transactions with Key Management Personnel

PVW Resources Limited, a company of which Mr. Bauk is a director, provided the Group with a Serviced office and Administration Services totalling $36,446 (2022: $28,928). $15,608 (2022: $nil) was outstanding at year-end.

Palisade Business Consulting Pty Ltd, a company of which Ms. Smith is a director, provided the Group with company secretary services and serviced office facilities including administration and information technology support totalling $42,000 (2022: $34,000 and accounting services totalling $27,358 (2022: $64,000). $27,000 (2022: $7,500) was outstanding at year-end.

Orex Pty Ltd, a company of which Mr. Wilson is a director, provided the Group with Geological Consulting services totalling $149,549 (2022: nil). $63,300 (2022: nil) was outstanding at year-end.

These transactions have been entered into on normal commercial terms.

Loans to Directors and Executives

There were no loans to Directors and Executives during the financial year ending 30 June 2023.

Non-Executive Directors

The Non-Executive Directors have not entered into service agreements with the Group. Their services may be terminated by either party at any time.

Valor Resources Limited have not engaged any remuneration consultants during the year.

Voting and comments made at the Group's 2022 Annual General Meeting

Valor Resources Limited received more than 95.26% of "yes" votes on its remuneration report for the 2022 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Signed on behalf of the Board in accordance with a resolution of the Directors.

Mr. George Bauk
Executive Chairman
29 September 2023
Perth, Western Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2023

	Note	2023 $	2022 $
Interest revenue		4,356	381
Other income	4	229,253	350,951
Expenses			
Listing and share registry expenses		(78,867)	(105,040)
Legal fees		(156,696)	(151,061)
Consultants and directors fees	5(a)	(643,917)	(708,964)
Travel and accommodation		(167,299)	(113,748)
Depreciation		(1,089)	(363)
Foreign exchange gain / (loss)		(3,336)	42,333
Impairment of exploration expenditure	10	-	(60,395)
Share based payment expense	20	(410,635)	(1,299,106)
Wages & salaries		(70,451)	(3,141)
Other expenses	5(b)	(313,873)	(299,636)
Loss from continuing operations before finance costs & income tax		**(1,612,554)**	**(2,347,789)**
Finance costs		(3,131)	(1,324)
Loss from continuing operations before income tax		**(1,615,685)**	**(2,349,113)**
Income tax expense	6	-	(1,322,471)
Loss from continuing operations for the year		**(1,615,685)**	**(3,671,584)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference	14	(228,263)	262,913
Other comprehensive loss for the year, net of tax		**(228,263)**	**262,913**
Total comprehensive loss for the year		**(1,843,948)**	**(3,408,671)**
Loss per share attributable to owners of Valor Resources Limited			
Basic and diluted loss per share (cents per share)	16	(0.043)	(0.155)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

VALOR RESOURCES

Consolidated Statement of Financial Position
as at 30 June 2023

	Note	2023 $	2022 $
Current Assets			
Cash and cash equivalents	7	213,948	3,210,257
Trade and other receivables	8	433,523	327,979
Other current assets	9	132,750	173,153
Assets classified as held for sale	10	2,749,321	-
Total Current Assets		**3,529,542**	**3,711,389**
Non-Current Assets			
Receivables		1,014	-
Property, plant and equipment		1,815	2,903
Deferred exploration and evaluation expenditure	10	11,542,351	12,041,627
Total Non-Current Assets		**11,545,181**	**12,044,530**
Total Assets		**15,074,722**	**15,755,919**
Current Liabilities			
Trade and other payables	11(a)	876,492	521,173
Total Current Liabilities		**876,492**	**521,173**
Non-Current Liabilities			
Other payables	11(b)	-	196,990
Deferred tax liabilities	6	1,534,986	1,322,471
Total Non-Current Liabilities		**1,534,986**	**1,519,461**
Total Liabilities		**2,411,478**	**2,040,634**
Net Assets		**12,663,244**	**13,715,285**
Equity			
Issued capital	12	67,706,696	66,852,924
Reserves	13	20,674,269	20,964,397
Accumulated losses	14	(75,717,721)	(74,102,036)
Total Equity		**12,663,244**	**13,715,285**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

VALOR RESOURCES

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,382,117)	(1,398,286)
Interest received		4,356	381
Interest paid		(3,131)	(1,324)
Other Income		229,253	-
Net cash outflow from operating activities	7	**(1,151,639)**	**(1,399,229)**
Cash flows from investing activities			
Acquisition of plant and equipment		-	(3,266)
Expenditure on exploration		(1,981,330)	(5,493,045)
Payment to acquire Pendleton Lake Project – net of cash acquired		-	(3,787)
Net cash outflow from investing activities		**(1,981,330)**	**(5,500,098)**
Cash flows from financing activities			
Proceeds from issue of shares		-	8,854,933
Proceeds from exercise of share options		-	1,255,115
Proceeds from options issue		-	5,100
Share issue costs		(3,729)	(605,736)
Net cash inflow from financing activities		**(3,729)**	**9,509,412**
Net increase/(decrease) in cash held		(3,136,698)	2,610,085
Cash and cash equivalents at beginning of financial year		3,210,257	557,839
Net foreign exchange differences		140,389	42,333
Cash and cash equivalents at end of the financial year	7	**213,948**	**3,210,257**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Exchange Reserve	Share Based Payments Reserve	Performance Shares Reserve	Total
	$	$	$	$	$	$	$
Balance at 1 July 2022	**66,852,924**	**(74,102,036)**	**7,253,215**	**498,840**	**11,712,193**	**1,500,149**	**13,715,285**
Loss for the year	-	(1,615,685)	-	-	-	-	(1,615,685)
Other comprehensive income							
Foreign currency translation difference	-	-	-	(228,263)	-	-	(228,263)
Total comprehensive loss for the year	-	(1,615,685)	-	(228,263)	-	-	(1,843,948)
Transactions with owners in their capacity as owners							
Shares issued as part of acquisition	385,000	-	-	-	-	-	385,000
Issue of options	-	-	105,292	-	-	-	105,292
Share issue costs	(3,728)	-	-	-	-	-	(3,728)
Conversion of performance rights	472,500	-	-	-	-	(472,500)	-
Cancellation of performance rights	-	-	-	-	-	(105,000)	(105,000)
Issue of performance rights	-	-	-	-	-	410,343	410,343
Balance at 30 June 2023	**67,706,696**	**(75,717,721)**	**7,358,507**	**270,577**	**11,712,193**	**1,332,992**	**12,663,244**
Balance at 1 July 2021	**57,390,563**	**(70,430,452)**	**6,421,009**	**235,927**	**11,712,193**	**1,193,399**	**6,522,639**
Loss for the year	-	(3,671,584)	-	-	-	-	(3,671,584)
Other comprehensive income							
Foreign currency translation difference	-	-	-	262,913	-	-	262,913
Total comprehensive loss for the year	-	(3,671,584)	-	262,913	-	-	(3,671,584)
Transactions with owners in their capacity as owners							
Shares issued as part of acquisition	50,000	-	-	-	-	-	50,000
Shares issued for services received	259,000	-	-	-	-	93,750	352,750
Shares issued as part of placements	8,854,933	-	-	-	-	-	8,854,933
Issue of options	-	-	832,206	-	-	-	832,206
Share issue costs	(605,736)	-	-	-	-	-	(605,736)
Flow through share premium	(350,951)	-	-	-	-	-	(350,951)
Exercise of options	1,255,115	-	-	-	-	-	1,255,115
Issue of performance rights	-	-	-	-	-	213,000	213,000
Balance at 30 June 2022	**66,852,924**	**(74,102,036)**	**7,253,215**	**498,840**	**11,712,193**	**1,500,149**	**13,715,285**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Corporate Information

The financial statements of Valor Resources Limited and its subsidiaries ("Valor" or "the Group") for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 29 September 2022.

Valor Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting interpretations. Valor Resources Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements have also been prepared on a historical cost basis. The presentation currency is Australian dollars.

Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group has incurred a loss for the year ended 30 June 2023 of $1,615,685 (30 June 2022: $2,442,652) and net cash outflows from operating activities of $3,132,969 (2022: $1,399,228). At 30 June 2023, the Group had $213,948 of cash and cash equivalents and a working capital deficit of $96,273 (2022: ($3,190,216).

As the Group is expected to incur net cash outflows in the foreseeable future as a result of continued exploration expenditures, the ability of the Group to continue as a going concern is dependent on securing additional funding, most likely through an issuance of new equity. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe the Group will continue as a going concern, after consideration of the following factors:

- $750,000 has been received post year end from the divestment of Kiwanda (see note 24) and the Group has a working capital surplus of $1,986,260 as at the date of this report;
- related parties have provided confirmation that they do not intend to seek payment of debts until such time as the Group is in a financial position to do so;
- the level of expenditure can be managed;
- the Directors are confident that the Group will be able to source sufficient future funding from equity raises and/or option exercises when further funding is required;
- the Company has historically been successful in raising further capital when required.

The directors plan to continue the Group's operations on the basis outlined above and believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2. Summary of Significant Accounting Policies (Continued)

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Valor Resources Limited and its subsidiaries as at 30 June each year ("the Group").

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed were necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

(d) New and Amended Accounting Standards

Changes in accounting policies

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current reporting period.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group accounting policies.

New and amended accounting standards and interpretations have been published but are not mandatory. The Group has decided against early adoptions of these standards, and has determined the potential impact on the financial statements from the adoption of these standards and interpretations is not material to the Group.

(e) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Valor Resources Limited is Australian dollars. The functional currencies of the overseas subsidiaries are Peruvian Soles, United States Dollars and Canadian Dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

2. Summary of Significant Accounting Policies (Continued)

(e) Foreign Currency Translation (continued)

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income, as part of the gain or loss on sale where applicable.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which it is incurred.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and Equipment	10-25 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Derecognition
Carrying amounts of plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(g) Impairment of Non Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

2. Summary of Significant Accounting Policies (Continued)

(g) Impairment of Non-Financial Assets (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(h) Exploration Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.
Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

(i) Trade and Other Receivables

Trade and other receivables, which generally have 30-day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any expected credit loss. Bad debts are written off when identified. Intercompany loans are impaired based on the ability of the subsidiaries to generate future cash flows to repay the loans.

(j) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

2. Summary of Significant Accounting Policies (Continued)

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Trade and Other Payables

Liabilities for trade creditors and other amounts are recognised initially at fair value and subsequently at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(m) Income Tax

The income tax expense for the period is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates for each jurisdiction that have been enacted or are substantially enacted by the reporting date.

Deferred income tax is provided for on all temporary differences at reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

No deferred income tax liabilities or assets will be recognised in respect of temporary differences between the carrying value and tax bases of investments in controlled entities if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future. Current and deferred income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(n) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

2. Summary of Significant Accounting Policies (Continued)

(p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Valor Resources Limited.

(q) Investments in Controlled Entities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

(r) Earnings per Share

Basic earnings per share
Basic earnings per share is calculated by dividing the result attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share
Diluted earnings per share is calculated as net result attributable to members of the Group, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(s) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(t) Share Based Payment Transactions

The group provides benefits to individuals acting as and providing services similar to employees (including Directors) of the group in the form of share-based payment transactions, whereby individuals render services in exchange for shares or rights over shares (‘equity settled transactions’).

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Trinomial formula taking into account the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Valor (‘market conditions’).

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at

2. Summary of Significant Accounting Policies (Continued)

(t) Share Based Payment Transactions (continued)

balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

(u) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(v) Asset Acquisitions

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in as asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(w) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control in accordance with AASB 11.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interests a joint operation:

2. Summary of Significant Accounting Policies (Continued)

(w) Interests in joint operations (continued)

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(x) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. For performance rights the fair value is determined by using the Trinomial model taking into account the terms, conditions and probability upon which the instruments were granted.

For asset acquisitions settled via share based payment arrangements, the Group measures the cost of the asset at the fair value of the asset acquired, or if this cannot be determined, at the fair value of the equity instruments.

Treatment of Acquisitions

Valor has determined that the acquisitions take the form of an asset acquisition and not a business combination in accordance with AASB 3. In making this decision, Valor determined that the nature of the exploration and evaluation activities related to the Pendleton Lake Project did not constitute an integrated set of activities and

2. Summary of Significant Accounting Policies (Continued)

(x) Critical Accounting Estimates and Judgements (continued)

assets that are capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

Furthermore, Valor has judged that given the stage of development of the Pendleton Lake Project, the acquired set of assets and processes were not capable at the time of acquisition of producing intended output, namely the production of uranium in a saleable form.

(y) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. Financial liabilities in the former category include contingent consideration payable on business combinations, financial liabilities in the latter category include trade payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fair value is determined based on the value of the entity's equity instruments when the related business combination takes place.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are subsequently measured, at each reporting date, at the fair value of the amount estimated to settle the liability. The increase or decrease in the value of the liability, other than movements in the value of the liability which arise through part settlement of the liability is recognised in the profit or loss.

Financial liabilities at amortised cost

Trade and other payables are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the entity. Trade accounts payable are normally settled within 60 days.

(z) Flow Through Shares

Flow-through shares may be issued to finance a portion of an exploration program. A flow-through share agreement transfers the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company divides the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognised as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognises the liability and the premium is recognised as other income. A deferred tax liability is recognised for the amount of the tax reduction renounced to the investors.

3. Segment Information

	Continuing operations			
	Australia	**Peru**	**Canada**	**Consolidated**
30 June 2023				
Segment revenue	4,356	-	-	4,356
Segment loss before income tax expense	(1,212,273)	(249,475)	(153,938)	(1,615,685)
30 June 2023				
Segment assets	**282,233**	**3,111,930**	**11,680,558**	**15,074,720**
Segment liabilities	**512,143**	**119,888**	**1,779,447**	**2,411,478**
Additions to non-current Assets	**-**	**1,032,980**	**1,426,542**	**2,459,522**

	Continuing operations			
	Australia	Peru	Canada	Consolidated
30 June 2022				
Segment revenue	381	-	350,951	351,332
Segment loss before income tax expense	(1,919,114)	(191,911)	(238,088)	(2,349,113)
30 June 2022				
Segment assets	**2,177,499**	**1,886,596**	**11,691,824**	**15,755,919**
Segment liabilities	**190,843**	**53,251**	**1,796,541**	**2,040,634**
Additions to non-current Assets	**3,266**	**758,521**	**4,613,491**	**5,375,278**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Valor Resources Limited.

4. Other Income

	2023	2022
	$	$
Settlement of flow through share liability	-	350,951
Other income	229,253	-
	229,253	**350,951**

5. Expenses

(a) Consultants and Directors' Fees

	2023	2022
	$	$
Accounting, audit and tax fees	234,635	242,074
Company secretary costs	47,532	34,000
Consulting fees	77,218	147,314
Director fees	284,532	285,576
	643,917	**708,964**

(b) Other Expenses

	2023	2022
	$	$
Advertising and promotion	101,833	125,220
Insurance	41,897	11,490
Rent & Outgoings	33,300	13,000
Administrative services / other	136,843	149,926
	313,873	**299,636**

6. Income Tax

(a) Income tax expense

	2023	2022
	$	$
Major component of tax expense for the year:		
Current tax expense	-	1,322,471
Deferred tax expense	-	1,322,471

(b) Income tax benefit/(expense)

Prima facie benefit on operating loss at 25% (2022: 25%)	(403,921)	(587,278)
Settlement of flow through share liability	-	1,322,471
Expenditure not deductible	102,659	587,278

6. Income Tax (continued)

Losses and other deferred tax balances not brought to account	301,262	-
Income tax expense	**-**	**1,322,471**

	2023	2022
	$	$
Recognised deferred tax balances		
Deferred tax liabilities – Canadian flow-through share liability	1,534,986	1,322,471

Deferred income tax assets have not been recognised as it is not probable that future profit will be available against which deductible temporary differences can be utilised.

In addition to the above Australian estimated future income tax benefits the consolidated entity has incurred significant expenditure in Peru, some of which should give rise to taxable deductions. At this stage the company is unable to reliably estimate the quantity of such future tax benefits.

7. Cash and Cash Equivalents

	2023	2022
Reconciliation of Cash	**$**	**$**
Cash comprises of:		
Cash at bank	213,948	2,135,538
Restricted cash[1]	-	1,074,719
Closing balance	**213,948**	**3,210,257**

[1] Restricted cash can only be spent on eligible expenditure on the Canadian Uranium projects.

Reconciliation of operating loss after tax to net cash flows from operations

	2023	2022
Loss after tax	(1,615,685)	(3,671,584)
Non cash items		
Settlement of flow through share liability	-	(350,951)
Foreign exchange (gain)/loss	(45,629)	(42,333)
Depreciation	1,089	363
Finance Costs	3,131	1,324
Non-cash impairments	-	60,395
Share based payments to settle liabilities	385,000	50,000
Share based payments	410,635	1,249,106
Current tax expense	-	1,322,471
Change in assets and liabilities		
Increase / (decrease) in trade and other receivables	65,139	435,467
Increase / (decrease) in trade and other payables	(355,319)	(453,487)
Net cash outflow from operating activities	**(1,151,639)**	**(1,399,229)**

Non-cash investing and financing activities		
Acquisition of Pendleton Lake Project via share-based payment	-	50,000
Total non-cash investing and financing activities	**-**	**50,000**

8. Trade and Other Receivables

	2023	2022
	$	$
Other Receivables[1]	223,056	34,201
GST Receivable	210,467	293,778
	433,523	**327,979**

[1] On 5 July 2023, Valor announced a binding terms sheet of Agreement to sell up to 80% of the issued capital of Kiwanda S.A.C. to Firetail Resources Limited. On signing of the terms sheet, Firetail Resources Limited paid a $200,000 Exclusivity Fee to Valor Resources. The transaction was completed on 6 September 2023 as announced to the ASX.

9. Other current assets

	2023	2021
	$	$
Prepayments	132,750	173,153
	132,750	**173,153**

10. Deferred Exploration and Evaluation Expenditure

	2023	2022
	$	$
Opening balance – non-current	12,041,627	6,429,897
Exploration expenditure incurred during the year	2,459,521	5,316,606
Acquisition of Pendleton Lake Project[1]	-	55,407
Impairment of Corona Project	-	(60,395)
Transfer to assets held for sale[2]	(2,749,321)	-
Net exchange differences on translation	(209,476)	300,113
Closing balance – non-current	**11,542,351**	**12,041,627**
Opening balance – current	-	-
Transfer to assets held for sale[2]	2,749,321	-
Closing balance – current	**2,749,321**	**-**
	14,291,672	**12,041,627**

[1] On 7 July 2021, Valor announced a binding terms sheet of Agreement to acquire 100% of the ownership of six tenements that comprise the Pendleton Lake Project. As announced to the ASX on 23 July 2021, the transaction was completed and the Company paid total consideration to the Vendors of $55,407 comprising of C$5,000 cash and issued 5,000,000 ordinary shares.

[2] On 5 July 2023 the Company announced it had executed a Binding Terms Sheet with ASX-listed Firetail Resources (ASX:FTL) for the divestment of up to 80% of the issued capital of Kiwanda S.A.C (Kiwanda), a wholly-owned subsidiary which holds the mining concessions that make up the Picha and Charaque Projects in Peru (Acquisition).

11. Trade and Other Payables

	2023	2022
(a) Current	$	$
Other payables	579,710	243,851
Deferred consideration liability[1]	244,461	196,990
Accruals - other	30,000	80,332
Insurance Premium Funding	22,321	-
	876,492	**521,173**

	2023	2022
(b) Non-Current	$	$
Deferred consideration liability[1]	-	196,990
	-	**196,990**

[1] Under the terms of the earn-in agreement entered into with Skyharbour Resources Ltd on 11 February 2021 for the Hook Lake Project in Canada, Valor must make a third and final anniversary payment in the sum of C$175,000 on 11 February 2024.

12. Issued Capital

	2023	2022
	$	$
(a) Issued and paid up capital		
Ordinary shares fully paid	**67,706,696**	**66,852,924**

12. Issued Capital (continued)

	2023 Number	2023 $	2022 Number	2022 $
(b) Movements in shares on issue				
Opening balance	3,658,534,790	66,852,924	2,893,831,418	57,390,563
Shares issued as part of placement – flow-through shares[1]	-	-	319,002,466	5,454,942
Shares issued as part of placements	-	-	309,090,090	3,399,991
Exercise of options	-	-	111,674,332	1,255,115
Shares issued as part of acquisitions[2 3]	77,000,000	385,000	5,000,000	50,000
Shares issued for services received[4]	-	-	19,936,484	259,000
Share issue costs	-	(3,728)	-	(605,736)
Flow-through share premium	-	-	-	(350,951)
Conversion of performance rights	67,500,000	472,500	-	-
Closing balance	**3,803,034,790**	**67,706,696**	**3,658,534,790**	**66,852,924**

[1] Valor completed the Canadian flow-through share scheme placement on 24 November 2021 by issuing to investors a total of 319,002,466 fully paid ordinary Valor shares at $0.0171 per share. The proceeds from the placement are to be used to expand and accelerate exploration activities at the Company's Canadian uranium projects.

[2] On 16 February 2023, the Company announced it had entered into a binding agreement for the acquisition of 100% of the issued capital of 1388068 B.C. Ltd, the holder of MC00016279 and AC00018106. The acquisition settled on 20 February 2023 with the Company paying the vendors $14,285 in cash and 40,000,000 ordinary shares at an issue price of $0.005. 7,000,000 ordinary shares were issued to consultants at an issue price of $0.005 in connection with the acquisition. A further 10,000,000 deferred consideration shares will be issued to the vendor on the grant of AC00018106.

[3] On 18 April 2023, the Company issued 30,000,000 ordinary shares to Skyharbour Resources Limited to complete the second anniversary payment under its farm-in agreement at the Hook Lake Uranium Project. See note 23 for further information.

[4] Share based payments were valued at share price on the date of issue as fair value of the asset could not be determined.

(c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Group.

(d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a net asset balance of $12,663,242 at 30 June 2023 (2022: net assets balance of $13,715,285). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders.

The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 20 for further information on the Group's financial risk management policies.

(e) Share Options

As at 30 June 2023, there were 71,583,333 unissued ordinary shares under options (71,583,333 at the lodgement date).

The details of the options are as follows:

	Unlisted Options Exercise at $0.015 by 03/05/2023	Unlisted Options Exercise at $0.015 by 11/02/2024	Unlisted Options Exercise at $0.02 by 21/04/2024
Balance at 1 July 2022	25,000,000	20,583,333	51,000,000
Issued during the period	-	-	51,000,000
Exercised during the period	-	-	-
Expired during the period	(25,000,000)	-	-
Balance at as at 30 June 2023	-	20,583,333	51,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. All options are vested and exercisable. No options were exercised since the end of the year.

13. Reserves

	2023	2022
	$	$
Option reserve	7,358,507	7,253,215
Foreign currency translation reserve	270,577	498,840
Share based payments reserve	11,712,193	11,712,193
Performance shares reserve	1,332,992	1,500,149
	20,674,269	**20,964,397**

Movements in Reserves

	2023	2022
Options reserve	$	$
Opening balance	7,253,215	6,421,009
Options issued	105,292	832,206
Closing balance	**7,358,507**	**7,253,215**

The options reserve is used to record the premium paid on the issue on options.

Foreign currency translation reserve		
Opening balance	498,840	235,927
Foreign currency translation difference	(228,263)	262,913
Closing balance	**270,577**	**498,840**

The Foreign Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(e). The reserve is recognised in profit and loss when the net investment is disposed of.

Share based payments reserve		
Opening balance	11,712,193	11,712,193
Share based payments expense	-	-
Closing balance	**11,712,193**	**11,712,193**

The share based payments reserve is used to record the value of options provided to directors, executives and other employees and as part of their remuneration and non-employees for their services.

Performance shares reserve		
Opening balance	1,500,149	1,193,399
Performance shares converted	(472,500)	306,750
Performance shares cancelled[1]	(105,000)	-
Performance shares issued	410,343	-
Closing balance	**1,332,992**	**1,500,149**

[1] On 19 August 2022, upon Ms. Smith resigning as Company Secretary and as Non-executive Director, 7,500,000 Performance Rights lapsed as the cessation of employment condition was not satisfied. During the year, the Company recognised a reversal of the expense of $105,000 in the statement of profit or loss.

The performance share reserve is used to record the value of performance shares provided to directors as part of their remuneration for their services.

14. Accumulated losses

	2023	2021
	$	$
Movements in accumulated losses were as follows:		
Opening balance	(74,102,036)	(70,430,452)
Loss for the year	(1,615,685)	(3,671,584)
Closing balance	**(75,717,721)**	**(74,102,036)**

15. Auditor's Remuneration

	2023 $	2022 $
The auditor of Valor Resources Limited is BDO Audit (WA) Pty Ltd		
Amounts were paid or payable for:		
- an audit or review of the financial statements of the entity and any other entity in the Consolidated group	**81,555**	**63,250**

No other services were provided during the year.

	2023 $	2022 $
BDO network firm - BDO Canada LLP		
Amounts were paid or payable for:		
- Tax compliance services	**-**	**11,371**

16. Loss per Share

	2023 $	2022 $
Loss used in calculating basic loss per share	(1,615,685)	(3,671,584)
Basic and diluted loss per share (cents per share)	(0.043)	(0.155)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	3,728,349,858	2,373,388,465

There is no impact from 71,583,333 options outstanding at 30 June 2023 (2022: 96,583,333 options) on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic earnings per share in the future. There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

17. Related Party Disclosures

(a) Key management personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

	2023 $	2022 $
Short term employee benefits	434,081	310,909
Share based payments	352,500	213,000
Total remuneration	**786,581**	**523,909**

For detailed key management personnel remuneration information refer to the audited Remuneration Report.

(b) Other transactions with related parties

PVW Resources Limited, a company of which Mr. Bauk is a director, provided the Group with a Serviced office and Administration Services totalling $36,446 (2022: $28,928). $15,608 (2022: $nil) was outstanding at year-end.

Palisade Business Consulting Pty Ltd, a company of which Ms. Smith is a director, provided the Group with company secretary services and serviced office facilities including administration and information technology support totalling $42,000 (2022: $34,000) and accounting services totalling $27,358 (2022: $64,000). $27,000 (2022: $7,500) was outstanding at year-end.

Orex Pty Ltd, a company of which Mr. Wilson is a director, provided the Group with Geological Consulting services totalling $149,549 (2022: nil). $63,300 (2022: nil) was outstanding at year-end.

These transactions have been entered into on normal commercial terms.

(c) Loans to Directors and Executives

There were no loans to Directors and Executives during the financial year ending 30 June 2023. All other transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

18. Interests in Other Entities

(a) Subsidiaries

The Group's subsidiaries as at 30 June 2023 and 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Country of Incorporation	Equity Holding	
		2023	2022
Kiwanda S.A.C	Peru	100%	100%
Pitchblende Energy Pty Ltd	Australia	100%	100%
1255004 B.C. Ltd	Canada	100%	100%
102135957 Saskatchewan Ltd	Canada	100%	100%
1388068 B.C. Ltd[1]	Canada	100%	0%

[1] On 15 February 2023, the Company acquired 100% of the issued capital of 1388068 B.C. Ltd, the holder of MC00016279 and AC00018106. On execution of the purchase agreement, the Company made a cash payment of $US10,000 and issued 40 million shares to the vendor, RD Consulting Ltd. A further 10 million shares will be issued to the vendor on the grant of AC00018106.

19. Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments. The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors. Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments.

These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables and deferred consideration. As at 30 June 2023 and 30 June 2022 all trade and other payables are contractually matured within 30 days and so the carrying value equals the contractual cash flows.

	Less than 6 months $	6-12 months $	1-5 Years $	Over 5 years $	Total contractual cash flows $	Carrying amount liabilities $
At 30 June 2023						
Trade and other payables	876,492	-	-	-	-	876,492
Deferred consideration	-	196,990	-	-	-	196,990
At 30 June 2022						
Trade and other payables	521,173	-	-	-	-	521,173
Deferred consideration	-	-	196,990	-	-	196,990

The value of the deferred consideration is the board's assessment of the value of contracted future payments issued under the agreement for the acquisition licence of the Hook Lake project. The carrying value approximates fair value as the amount is payable within 12 months.

The principal payments are contractually required in Canadian dollars and have been converted to Australian dollars.

19. Financial Risk Management (continued)

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	2023 $	2022 $
Cash and cash equivalents	213,948	3,210,257

Interest rate sensitivity

There was no material impact from changes in interest rates during the financial year ending 30 June 2023 or 30 June 2022.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group is exposed to credit risk from financial institutions where cash is held and from debtors, in particular from those arising from transactions in foreign jurisdictions.

The Group's cash and cash equivalents as at 30 June 2023 is substantially held with one reputable banking financial institution in Australia with a credit rating of AA- and one reputable banking financial institution in Canada with a credit rating of A+.

(d) Fair Value Measurement

The following tables detail the Group's assets and liabilities measured or disclosed at fair value using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
Consolidated – 2023	**$**	**$**	**$**	**$**
Liabilities				
Deferred consideration payments	-	-	234,461	234,461
Total liabilities	**-**	**-**	**234,461**	**234,461**

	Level 1	Level 2	Level 3	Total
Consolidated – 2022	**$**	**$**	**$**	**$**
Liabilities				
Deferred consideration payments	-	-	393,979	393,979
Total liabilities	**-**	**-**	**393,979**	**393,979**

24.

There were no transfers between levels during the financial year.

Non-recurring fair value measurements

The fair value of the liabilities associated with the deferred consideration is estimated by discounting the remaining contractual maturities at the current market interest rate.

There were no other financial assets or liabilities at 30 June 2022 and 30 June 2023 requiring fair value estimation and disclosure, their carrying values approximate fair value.

(e) Foreign Currency Risk

Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not have any material exposure to foreign currency risk.

20. Share Based Payments

Share based payment transactions recognised as operation expenses in the statement of profit or loss and other comprehensive income or exploration expenditure on the statement of financial position during the year were as follows:

	2023 $	2022 $
Operating expenses		
Share based payments to consultants - options	105,292	827,106
Share based payments to consultants - shares	-	259,000
Shared based payments to directors - performance rights	247,500	213,000
Share based payments to employees – performance rights	10,843	-
Share based payments to company secretary – performance rights	47,000	-
Total	**410,635**	**1,299,106**

	2023 $	2022 $
Exploration expenditure		
Share based payments to vendors capitalised against exploration asset	-	93,750
Share based payments for transaction costs of acquisition	200,000	50,000
Total	**200,000**	**143,750**

(a) Share based payments to consultants

During the period, the Company issued 8,000,000 performance rights to Mr Giuseppe Graziano, the Company's Secretary as a performance incentive. The issue was approved at the Annual General Meeting on 29 November 2022.

Performance Rights to Directors:

During the period, the performance milestone hurdles for Mr Bauk & Mr Billingsley's Tranche 3 and Tranche 4 Performance Rights were achieved and 90,000,000 Director Performance Rights vested but no expense was recorded as the expense was fully incurred in the prior period.

During the period, upon Ms Smith resigning as Company Secretary and as Non-executive Director, 7,500,000 Performance Rights lapsed as the cessation of employment condition was not satisfied. During the half-year, the Company recognised a reversal of the expense of $105,000 in the statement of profit or loss.

On 18 October 2022, the Company issued 67,500,000 fully paid ordinary shares upon the conversion of Director Performance Rights whereby the attached milestones had vested in the prior period.

On 28 November 2022 at the Company's Annual General Meeting, shareholders approved 60,000,000 Director Performance Rights to Mr Wilson as a performance-based incentive for services to the Company. During the year, the Company recognised an expense of $352,500 in the statement of profit or loss.

The Performance Rights will be convertible to shares on achievement of the following performance milestones:

(i) Tranche 1 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieving a 20-day VWAP of $0.015;

(ii) Tranche 2 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieves a 20-day VWAP of $0.025;

(iii) Tranche 3 of 17,000,000 performance shares with a vesting condition of the trading of the Company's shares achieves a 20-day VWAP of $0.03;

(iv) Tranche 4 of 17,000,000 performance shares with a vesting condition of the Company achieving a market capitalisation of $100 million.

For conversion to occur, the Milestones for each Tranche must be achieved within 3 years of issue of the Performance Rights. Once the Milestones are achieved, the Director Rights must be converted into Shares within 2 years of vesting, at the holder's absolute discretion.

The fair value at the grant date of the performance rights was determined using the Tri-nominal pricing model that takes into account the exercise price, the term of the rights, the impact of dilution, the share price at grant

20. Share Based Payments (continued)

date and expected price volatility of the underlying share and the risk-free interest rate for the term of the right. The fair value of the performance rights was $352,500, which has been recorded in the income statement in the current period.

The model inputs for the performance rights during the half-year ended 30 June 2023 included:

(a) share price at grant date was $0.007;
(b) expected volatility of 130%;
(c) expected dividend yield of nil; and
(d) a risk-free interest rate of 3.24%

At the date of this report, the performance milestones for Mr. Wilson have not yet been achieved.

21. Contingent Liabilities

Royalties are payable to Skyharbour Resources Ltd on 14 mineral claims and Denison Mines Corp. for 2 mineral claims from the Hook Lake Project that consists of a 2% of NSR (net smelter return) on production. These items have not been included as consideration for the acquisition given they are contingent in nature and cannot be reliably measured at the date of acquisition because they are dependent on future events not wholly within the control of the entity.

There are no other known contingent liabilities.

22. Commitments

Valor entered into an agreement with Skyharbour Resources Ltd (TSX-V: SYH) on 11 February 2021 (Effective Date), which allows Valor is earn into the Hook Lake Project in Saskatchewan, Canada. The agreement provides for the following cash payments and expenditure commitments:

a) Cash payments – making the following cash payments to Skyharbour Resources Ltd.:
   i) C$50,000, which payment was made on 17 February 2021;
   ii) C$75,000, on the first anniversary of the Effective Date, which payment was made on 11 February 2022;
   iii) C$175,000, on the second anniversary of the Effective Date; and
   iv) C$175,000, on the third anniversary of the Effective Date.

On 19 April 2023 the Company further announced that it had negotiated revised terms with Skyharbour to satisfy the second anniversary cash payment via the issue of 30,000,000 fully paid ordinary shares and a C$50,000 cash payment which were paid in full on 20 July 2023.

The final payment of C$175,000 due in February 2024, is the last hurdle before the Company earns its 80% interest in the Hook Lake Project.

b) Expenditures – incurring the following expenditures on the Hook Lake Project, totalling C$3,500,000, within three years following the Effective Date:
   i) C$750,000 on or before the first anniversary of the Effective Date, which were incurred by 11 February 2022 as announced to the ASX on 15 February 2022;
   ii) An additional C$1,000,000 on or before the second anniversary of the Effective Date, which were incurred as announced to the ASX on 19 April 2023; and
   iii) An additional C$1,750,000 on or before the third anniversary of the Effective Date, which were incurred as announced to the ASX on 19 April 2023.

There were no other commitments as at 30 June 2023 (2022: nil).

24. Events Subsequent to Reporting Date

On 5 July 2023 the Company announced it had executed a Binding Terms Sheet with ASX-listed Firetail Resources (ASX:FTL) for the divestment of up to 80% of the issued capital of Kiwanda S.A.C (Kiwanda), a wholly-owned subsidiary which holds the mining concessions that make up the Picha and Charaque Projects in Peru (Acquisition).

The total consideration payable by pursuant to the Acquisition is as follows:

- a $200,000 cash Exclusivity Fee which was received by the Company on 3 July 2023 ("Exclusivity Fee");
- a $550,000 cash payment payable upon completion ("Cash Consideration");
- 15,000,000 fully paid ordinary shares in the Company ("Shares") at a deemed issue price of $0.10 per Share to be issued upon completion ("Consideration Shares") to acquire an initial 60% shareholding interest in Kiwanda; and
- 20,000,000 performance rights at completion convertible into Shares upon the satisfaction of the vesting conditions as set out in Appendix A ("Performance Rights") following which the Company will acquire an additional 20% interest in Kiwanda (i.e., 80% in total).

Firetail received shareholder approval for the Acquisition pursuant to ASX Listing Rule 7.1 for the issue of the respective securities pursuant to the Acquisition as outlined above on 21 August 2023 and the transaction was completed on 6 September 2023.

On 15 August 2023 the Company issued 23,300,000 fully paid ordinary shares to service providers in lieu of cash consideration.

On 13 September the Company announced the lapse of 30,00,000 Director performance rights which were not converted prior to their expiry and 27,500,000 Consultant performance rights where the conditions of the securities grant have not been met or are incapable of being satisfied.

On 13 September 2023 the Company converted 30,000,000 vested Director performance rights into fully paid ordinary shares. The shares vested where milestones have been achieved.

On 14 September 2023 the Company converted 15,000,000 vested Director performance rights into fully paid ordinary shares. The shares vested where milestones have been achieved.

There were no other known significant events from the end of the financial year up to the date of this report.

25. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year.

26. Parent Entity Information

The following details information related to the parent entity, Valor Resources Limited, at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2023 $	2022 $
Current assets	417,148	3,521,440
Total assets	14,954,834	15,702,668
Current liabilities	756,604	467,922
Total liabilities	2,291,590	1,987,373
Net Assets / (Liabilities)	**12,663,244**	**13,715,285**

26. Parent Entity Information (continued)

	2023 $	2022 $
Issued capital	67,706,695	66,852,924
Reserves	20,674,269	20,964,397
Accumulated losses	(75,717,720)	(74,102,035)
Total Equity	**12,663,244**	**13,715,285**
Loss of the parent entity	(1,615,685)	(3,628,282)
Other comprehensive loss for the year	-	-
Total comprehensive loss of the parent entity	(1,615,685)	**(3,628,282)**

There are no known contingent liabilities in the parent entity for the year end 30 June 2023 or 30 June 2022.

Directors' Declaration

In accordance with a resolution of the Directors of Valor Resources Limited, I state that:

1. In the opinion of the directors:

    a) the financial statements and notes of Valor Resources Limited for the year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the consolidated financial position as at 30 June 2023 and of its performance for the year ended on that date; and

        ii. Complying with Accounting Standards (including the Australian Accounting Interpretations), Corporations Regulations 2001 and other mandatory professional reporting requirements.

    b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

2. Subject to the matters in note 2, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Director's in accordance with sections of 295A of the Corporations Act 2001 for the financial year 30 June 2023.

On behalf of the Board

Mr. George Bauk
Executive Chairman
29 September 2023
Perth, Western Australia

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF VALOR RESOURCES LIMITED

As lead auditor of Valor Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Valor Resources Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

29 September 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Valor Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Valor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of Deferred Exploration and Evaluation Expenditure

Key audit matter	*How the matter was addressed in our audit*
The carrying value of the deferred exploration and evaluation expenditure as at 30 June 2023 is disclosed in Note 10 of the financial report. As the carrying value of the Deferred Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note (2x) and Note 10 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 26 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Valor Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth,

29 September 2023

Additional ASX Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 September 2023..

Company Secretary

The Company Secretary is Mr. Joe Graziano.

Registered Office and Principal Administrative Office

Address: Level 3, 101 St Georges Terrace, PERTH, WA 6000 Telephone: +61 411 649 551

Register of Securities

The Register of Securities is kept at Automic Registry Services, Level 5/191 St George's Terrace, Perth, WA, 6000. Telephone: 1300 288 664.

Issued Capital

Quoted/Unquoted	Class	Number of Units	Number of Holders
Quoted	Fully Paid Ordinary Shares	3,873,334,790	3,849
Unquoted	Unlisted Options @ $0.015 expiry 11.02.2024	20,583,333	3
Unquoted	Unlisted Options @ $0.020 expiry 21.02.2024	51,000,000	8
Unquoted	Vendor Performance Rights	166,666,666	7
Unquoted	Director Performance Rights	45,000,000	2
Unquoted	KMP and Consultant Performance Rights	68,000,000	2

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	**Number of Shares**
1 - 1,000	155	26,043
1,001 - 5,000	52	150,701
5,001 - 10,000	21	160,549
10,001 - 100,000	1,249	77,222,369
100,001 - and over	2,372	3,795,775,128
TOTAL	**3,849**	**3,873,334,790**

There were 1,867 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Ordinary Share Holders

Name	Number of Shares held	%
SKYHARBOUR RESOURCES LIMITED	238,156,665	6.15%
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	125,117,363	3.23%
BRIANT NOMINEES PTY LTD <BRIANT SUPER FUND A/C>	102,030,143	2.63%
MRS NANSAL-ORLOM TUNEREV	77,090,990	1.99%
CITICORP NOMINEES PTY LIMITED	72,419,040	1.87%
SISU INTERNATIONAL PTY LTD	70,636,364	1.82%
SISU INTERNATIONAL PTY LTD	66,591,196	1.72%
TOTODE PTY LTD <HINDMARSH INVESTMENT A/C>	60,000,000	1.55%
APICAL PARTNERS PTY LTD	58,481,516	1.51%
BRIANT NOMINEES PTY LTD <BRIANT SUPER FUND A/C>	53,333,333	1.38%
RESORT STYLE LIVING PTY LTD <HERALD FAMILY A/C>	50,416,184	1.30%
STEVEN SEQUEIRA PTY LTD <STEVEN SEQUEIRA A/C>	50,416,183	1.30%
SENESCHAL (WA) PTY LTD <WINSTON SCOTNEY FAMILY S A/C>	50,000,000	1.29%
MR JOSHUA MARK PONTELLO	45,199,505	1.17%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,170,928	1.04%
FAT HOG PTY LTD	40,000,000	1.03%
BEEZ AND HONEY PTY LTD <THE HONEY POT A/C>	38,666,667	1.00%
MR LAY ANN ONG	37,333,333	0.96%
MR MICHAEL CLIVE HUXLEY	35,000,000	0.90%
TOTODE PTY LTD <HINDMARSH INVESTMENT A/C>	32,500,000	0.84%
Total	**1,343,559,410**	**34.69%**

Substantial Shareholders

The names of shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Skyharbour Resources Limited	238,156,665	6.15%
Brian McMaster	204,030,143	5.27%

Unquoted Securities

The following persons hold 20% or more of the equity securities in an unquoted class:

Class	Holder	Number of Units	% Held
Unlisted Options @ $0.015 expiry 11.02.2024	BILGI INVESTMENTS PTY LTD <BILGI INVESTMENTS S/F A/C>	10,000,000	48.58%
Unlisted Options @ $0.015 expiry 11.02.2024	MR ROBERT ANDREW JEWSON	10,000,000	48.58%
Unlisted Options @ $0.015 expiry 21.02.2024	CELTIC CAPITAL PTY LTD <INCOME A/C>	28,810,698	56.49%
Unlisted Options @ $0.015 expiry 21.02.2024	CPS CAPITAL NO 5 PTY LTD	15,300,000	30.00%
Director Performance Rights	TOTODE PTY LTD <HINDMARSH INVESTMENT A/C>	30,000,000	66.67%
Director Performance Rights	MR GARY BILLINGSLEY	15,000,000	33.33%
KMP and Consultant Performance Rights	OREX PTY LTD <THE WILSON FAMILY A/C>	60,000,000	88.24%

On-Market Buy Back
There is no current on-market buy back.

Voting Rights
All ordinary shares carry one vote per share without restriction. Options and Performance Shares do not carry any voting rights. On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

Tenement Table
Interests in mining tenements held are detailed in the table below:

Project	Tenement		Location	Status	Ownership
Picha Project	Picha 2 Picha 3 Picha 7 Leon 3 TA-1 TA-2 Picha 01-21 Picha 02-21 Picha 03-21 Picha 04-21 Picha 05-21 Picha 06-21 Picha 07-21 Picha 08-21 Picha 09-21 Picha 10-21 Picha 11-21 Picha 12-21 Picha 13-21 Picha 14-21 Picha 15 Picha 16 Picha 17 Picha 18 Picha 19 Picha 20 Picha 21	01-03853-05 01-03854-05 01-00578-07 01-04638-08 01-01161-21 01-01162-21 01-01163-21 01-01164-21 01-01165-21 01-01166-21 01-01167-21 01-01168-21 01-01169-21 01-01170-21 01-01171-21 01-01172-21 01-01173-21 01-01174-21 01-01175-21 01-01176-21 01-00151-22 01-00150-22 01-00152-22 01-00149-22 01-02253-22 01-02254-22 01-02255-22	Peru	Granted	40%
Charaque Project	Pichacani N-1 Pichacani N-2 Pichacani N-3 Pichacani 4 Pichacani 5 Pichacani 6 Pichacani 7	01-00653-22 01-00654-22 01-00652-22 01-00655-22 01-00656-22 01-00657-22 01-00658-22	Peru	Granted	40%
Hook Lake	Hook Lake 1 Hook Lake 2 Hook Lake 3 Hook Lake 4 Hook Lake 5 Hook Lake 6 Hook Lake 7 Hook Lake 8 Hook Lake 9 Hook Lake 10 Hook Lake 11 Hook Lake 12 Hook Lake 13 Hook Lake 14 Hook Lake 15 Hook Lake 16	S-110197 S-110198 MC00011055 MC00012406 MC00013238 MC00013241 MC00013242 MC00013243 MC00013244 MC00013246 MC00013248 MC00013250 MC00013253 MC00013425 MC00013594 MC00013606	Canada	Granted	80% Option

Additional ASX Information

Project	Tenement		Location	Status	Ownership
Cluff Lake	Cluff Lake 1 Cluff Lake 4 Cluff Lake 7 Cluff Lake 9 Cluff Lake 10 Cluff Lake 11 Cluff Lake 14 Cluff Lake 18 Cluff Lake 19	MC00014073 MC00014076 MC00014079 MC00014081 MC00014082 MC00014083 MC00014086 MC00014090 MC00014096	Canada	Granted	100%
Pendleton Lake	Pendleton Lake 3 Pendleton Lake 4 Pendleton Lake 5 Pendleton Lake 6	MC00013610 MC00013616 MC00014442 MC00014443	Canada	Granted	100%
MacPhersons Lake	Pendleton Lake 1 Pendleton Lake 2	MC00013454 MC00013494	Canada	Granted	100%
Hidden Bay	Hidden Bay 1	MC00014093	Canada	Granted	100%
Surprise Creek	Surprise Creek 1 Surprise Creek 2 Surprise Creek 3 Surprise Creek 4 Surprise Creek 5 Surprise Creek 6 Surprise Creek 7 Surprise Creek 8	MC00014936 MC00014937 MC00014938 MC00015946 MC00016265 MC00016405 MC00016406 MC00016407	Canada	Granted	100%