

December 27, 2019

**To the Stakeholders of ValOre Metals Corp.**

2019 has been transformative for ValOre Metals Corp. (TSX-V: VO). We have successfully restructured the Company and recently bolstered our high value resource holdings with the addition of an exciting platinum group metals property, Pedra Branca, in Brazil, alongside our existing Angilak and Genesis/Hatchet uranium and Baffin gold projects (all in Canada).

On [January 15](#), 2019, ValOre completed a rights offering raising C\$2.45M, which gave shareholders the opportunity to finance the Company as we pivoted to take advantage of our group's ability to raise capital and execute accretive transactions in a challenging financing environment for the global mining sector.

As you may already be aware, ValOre is a proud member of [Discovery Group](#), which was founded by John Robins in 2005, and then successfully relaunched and rebranded by John and I in 2016. Being a part of this unique group with such recent major successes as Kaminak (Yukon gold project acquired by Goldcorp for \$520M), Northern Empire (Nevada gold project acquired for Coeur Mining for \$117M), and Great Bear (gold discovery in Red Lake with a current market cap in excess of \$375M) gives ValOre incredible access to first class professionals, high quality deal flow, and capital to finance our activities.

On [August 14](#), ValOre announced the closing of a transaction to acquire 100% ownership of the Pedra Branca PGM District in north-eastern Brazil. The landholdings total 38,940 hectares and host five distinct PGM+Au (Ni+Cu+Co+Cr) deposit areas. Along with the acquisition, ValOre filed an independent NI 43-101 inferred resource estimate of showing that Pedra Branca hosts 1,067,000 ounces PGM+Au in 27.2 million tonnes grading 1.22 grams PGM+Au per tonne. Mineralization outcrops at surface, making all of the inferred resources legitimate open pit targets, and excellent opportunities exist for resource expansion and conversion at all five deposits.

Pedra Branca has seen over **US\$35M** of historic exploration expenditures by Anglo American Platinum and other companies, including over 30,000 m of drilling, extensive geochemistry and geological mapping, and high-quality airborne and ground geophysics.

Our efforts to leverage this tremendous database have already begun and our excitement around the potential of the project grows by the day. By the end of January 2020, we'll announce an initial exploration program for 2020 with the benefit of the knowledge from the activities currently underway or recently completed:

- **WorldView:** acquisition of enhanced and modeled digital satellite imagery from the highest resolution commercial satellite in the world, focused on supporting exploration fieldwork with alteration mineral modeling and high-spatial resolution true-color imagery for the project area.
- **Geophysics:** re-processing the district-scale, detailed (50 m line-spacing) 2013 aeromag survey collected by Anglo by means of a 3D magnetic-susceptibility model to help define the geometry, dip and approximate the thickness of the target ultramafic intrusions.
- **HIVE:** consultancy performing a full drillhole database verification program and supporting ValOre in the development and refinement of an accurate, organized and synthesized exploration database.

- **Data compilation:** upon completion of the above-mentioned database verification and organization, authenticated historical data will be synchronized with newly acquired exploration data to facilitate and accelerate the path to discovery and resource expansion.

This area of Brazil is an exploration- and mining-friendly jurisdiction, and the project is supported by the local and state governments. One of ValOre's newest directors, Brazilian resident Luis Azevedo, has already played a key role in connecting us with the people and groups we will need to successfully advance the project, and was recently named Vice President of the newly formed Mining Council of the National Confederation of Industry ("CNI") in Brazil. Access is excellent year-round via two paved highways from Fortaleza (a coastal city with a port and over 3 million people), and infrastructure is in place, including electricity, water, housing, office space, core storage and logging facilities, telephone and internet.

The exploration potential of the Pedra Branca Project from both a resource expansion and greenfields perspective is highly compelling, with numerous property-wide surface to near-surface PGM targets. This acquisition meets ValOre's criteria in three key areas: high-value metal mineralization on a large scale; substantial project investments by previous operators; and obvious exploration strategies and process improvements which can be implemented by ValOre to add significant value to the project.

ValOre's technical team has made tremendous progress in organizing, reviewing, and understanding the literal 'treasure trove' of data generated at Pedra Branca by previous exploration groups. In the case of our newest target "C04", we have an exploration methodology that works efficiently and effectively in the target-rich environment which hosts a 'discovery pipeline' with the potential to add significant value for our shareholders.

As reported in our press release on [December 4](#), 2019, four grab samples collected in October were submitted to SGS Canada for analysis, and all returned compelling PGM plus gold results of up to 7.945 grams per tonne. Assay results for all submitted samples are summarized in the accompanying table.

#### SUMMARY OF ASSAY RESULTS FROM FOUR SUBMITTED GRAB SAMPLES AT THE C04 EXPLORATION TARGET, PEDRA BRANCA PROJECT (SGS CANADA INC.)

Sample	Au (ppb)	Pt (ppb)	Pd (ppb)	PGM + Au (ppb)	PGM + Au (g/t)
B-C4-11-A	23	7,616	306	7,945	7.945
B-C4-11-B	13	2,039	338	2,390	2.390
B-C4-11-C	52	2,125	142	2,319	2.319
B-C4-11-D	13	2,722	301	3,036	3.036

To get a clearer understanding of our approach to project acquisition, exploration and development, please [click here](#). We are confident that our approach is a very sound one, which attempts to protect our investors from downside, while providing significant upside as the project gets advanced and we unlock value.

As we commence fieldwork on the Pedra Branca project in Q1 2020, we'll keep our shareholders informed of our efforts through news releases and increased road shows and conference attendance.

We thank you for your support and look forward to delivering benefits to all stakeholders.

Happy New Year! We wish you great prosperity, health and happiness in 2020.

Sincerely,

Jim Paterson, Chairman & CEO  
ValOre Metals Corp. (TSX-V: VO)

### **Qualified Person**

The technical information provided in this letter has been prepared in accordance with Canadian regulatory requirements set out in NI 43-101 and reviewed and approved by Colin Smith, P.Geo., who oversees New Project Review for ValOre.

### **QAQC**

Grab samples are collected from field sites with coordinate data captured by handheld GPS and subsequently stored in a secure ValOre facility in Capitão Mór, Ceará, Brazil. The samples are thereafter sent with an ensured chain of custody to SGS Canada Inc. in Lakefield, Ontario for analysis, which is accredited mineral analysis laboratory. All samples are analyzed for PGM+Gold (Pd, Pt, Rh, Au) content using standard 50g Fire Assay and ICP-AES techniques. If Pt and/or Pd is over 1%, the sample is analyzed for Rh using NiS Fire Assay-ICP-MS techniques. Cr values that exceed 5% are redirected to ore grade pyrosulfate fusion and XRF techniques. Certified PGM ore reference standards, blanks and field duplicates are inserted as a part of ValOre's quality control/quality assurance program (QAQC). No QAQC issues were noted with the results reported herein.

### **Cautionary Statement on Forward-Looking Statements**

The information provided in this letter contains "forward-looking statements" within the meaning of applicable securities laws. Although ValOre believes that the expectations reflected in its forward-looking statements are reasonable, such statements have been based on factors and assumptions concerning future events that may prove to be inaccurate. These factors and assumptions are based upon currently available information to ValOre. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. A number of important factors including those set forth in other public filings could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include the future operations of the Company and economic factors. Readers are cautioned to not place undue reliance on forward-looking statements. The statements made in the information above are made as of the date of this letter and, except as required by applicable law, ValOre does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. ValOre undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of ValOre, or its financial or operating results or (as applicable), their securities.