



**Management's Discussion and Analysis**

For the Year Ended September 30, 2021

Dated January 28, 2022

## NOTE TO READER

This management's discussion and analysis ("MD&A") for the year ended September 30, 2021 was prepared by management and approved and authorized for issue on January 28, 2022 for ValOre Metals Corp. (the "Company" or "ValOre") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements but does not form part of the consolidated financial statements of ValOre and the notes thereto for the year ended September 30, 2021. Consequently, the MD&A should be read in conjunction with the Company's annual audited consolidated financial statements and related notes for the year ended September 30, 2021.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

All amounts are in Canadian dollars unless otherwise specified. Additional information is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com), and on the Company's website at [www.valoremets.com](http://www.valoremets.com).

## FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or ValOre's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by words such as "plans", "expects", "anticipates", "believes", "estimates", "expects" and similar expressions, or the negatives of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of ValOre's properties to contain economic mineral deposits; ValOre's ability to meet its working capital needs at the current level for the 12-month period ending September 30, 2022; the plans, costs, timing and capital for future exploration and development of ValOre's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; prices and price volatility for mineral deposits; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond ValOre's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral deposits, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to ValOre's properties, the possibility that future exploration results will not be consistent with ValOre's expectations, increases in costs, environmental compliance, and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the minerals exploration and development industry, as well as those risk factors listed in the "Risks and Uncertainties" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in the MD&A. Such statements are based on a number of assumptions about the following: the availability of financing for ValOre's exploration and development activities; operating and exploration costs; ValOre's ability to attract and retain skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements may be affected by known and unknown risks, uncertainties and other factors that may cause ValOre's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. ValOre undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If ValOre does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## INTRODUCTION

ValOre Metals Corp., formerly named Kivalliq Energy Corporation, is an exploration company based in Vancouver, Canada, which currently has interests in exploration projects in northern Canada and Brazil. In addition to uranium exploration properties in Nunavut Territory and the Provinces of Saskatchewan and Manitoba, ValOre holds the Baffin Gold Property in Nunavut Territory and the Pedra Branca Platinum Group Elements ("PGE") Project in northeastern Brazil that hosts palladium (Pd) + platinum (Pt) + gold (Au) mineralization.

## OVERVIEW

### *Appointments*

During the year ended September 30, 2021, the following events took place:

- Colin Smith was appointed as Vice President of Exploration
- Darren Klinck was appointed as Director
- Ian Pritchard was appointed as Advisor
- Luis Azevedo was appointed as Advisor
- Luis Azevedo and Brian McMaster resigned as Directors.

### *Financing*

On February 17, 2021, ValOre closed a private placement, with the issuance of 27,758,334 units at a price of \$0.30 per unit for gross proceeds of \$8,327,500. Each unit consisted of one common share ("share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "warrant"). Each warrant will be exercisable into one share for \$0.45 per share for a period of two years expiring February 17, 2023. In connection with this private placement, the Company paid \$314,457 in cash commissions and issued 925,098 finder warrants which were valued at \$153,125.

During the year ended September 30, 2021, 637,235 common shares were issued upon warrants exercised for gross proceeds of \$146,564 and 1,150,500 common shares were issued upon options exercised for gross proceeds of \$287,650.

During the year ended September 30, 2021, ValOre issued 1,000,000 common shares valued at \$235,000 to Jangada pursuant to the purchase agreement.

During the year ended September 30, 2021, 4,131,000 warrants expired unexercised. Subsequent to year end, 1,451,800 warrants expired unexercised.

Subsequent the year ended September 30, 2021; the following events took place:

- On November 10, 2021, the Company entered into a definitive property option agreement with Azincourt Energy Corp ("Azincourt"), an arms-length party, pursuant to which the Optionee has been granted the option to acquire up to a seventy-five percent interest in the Hatchet Lake Uranium Project. Pursuant to the

agreement, the Company received a cash payment of \$100,000 and 2,837,684 Azincourt shares valued at \$250,000 at issuance date.

- On November 17, 2021, ValOre closed a brokered private placement for gross proceeds of \$11,000,000. The Company sold 18,333,333 flow-through units of the Company to charitable purchasers (each, a "Charity FT Unit") at a price of \$0.60 per Charity FT Unit. Each Charity FT Unit consists of one common share of the Company (each, a "FT Share") and one-half of one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share of the Company (each, a "Warrant Share") at a price of \$0.65 per Warrant Share at any time on or before November 17, 2023. The FT Shares and Warrant Shares are subject to a hold period ending on March 18, 2022.
- On December 9, 2021, the Company granted 6,600,000 incentive stock options to certain Directors, Officers, Employees and Consultants of the Company. The Options are exercisable at \$0.45 per share for a period of three years from the date of grant with  $\frac{1}{4}$  vesting upon grant and  $\frac{1}{4}$  vesting every 3 months thereafter.
- Subsequent to September 30, 2021, 624,500 stock options were exercised for proceeds of \$187,350 and 333,333 warrants were exercised for gross proceeds of \$150,000.

### ***Loan payable***

During the year ended September 30, 2020, ValOre entered into an unsecured revolving credit facility with the CEO of the Company, pursuant to which the Company could borrow up to \$1.7 million on a revolving basis. ValOre agreed to pay to the CEO a standby fee of \$34,000 (2% of the committed facility) and interest of 10% per annum on amounts drawn down under the facility.

During the year ended September 30, 2021, the CFO of the Company agreed to lend \$245,278 to the Company to cover certain working capital requirements. The loan has no specified interest rate and no specific terms of repayment.

During the year ended September 30, 2021, the Company repaid the full amount of the loans due to the CEO and CFO. For further details, please refer to Note 7 of the consolidated financial statements for the year ended September 30, 2021.

### ***Exploration highlights***

For more details on the following highlights, please refer to the news releases available on ValOre's website and on SEDAR: [www.sedar.com](http://www.sedar.com).

### **Pedra Branca PGE Project, Drilling**

- ValOre completed an 11,120-metre ("m") drill program in 2021 (108 holes total), comprised of 1,828 m of Reverse Circulation ("RC") drilling in 38 holes, and 9,292 m of core drilling in 70 holes. Primary focus of resource expansion (Trapia 1, Trapia 2, Santo Amaro), Target Advancement (Massape, Santo Amaro South, Cana Brava, C-04), and New Discovery (Esbarro NW, Trapia South, Trapia SW).
- 2021 RC drilling assays highlights include:
  - Santo Amaro South ("SAS") RC drilling discovery
    - 32 m grading 1.65 g/t 2PGE+Au from surface, incl. 6 m grading 3.07 g/t 2PGE+Au from 2 m, and 2 m grading 2.08 g/t 2PGE+Au from 23 m
    - Discovery hole followed up with 4 additional core drill holes (~300 m), detailed below in core highlights bullet
    - Near-surface (15 m or less) PGE mineralization intersected in all five 2021 RC holes at SAS
    - Discovery situated 1.5 kilometres ("km") south of the Santo Amaro inferred resource zone

- Trapia South RC drilling discovery
  - Previously undrilled target, located 1.5 km southwest and on trend from Trapia 1 inferred resource zone, with PGE-mineralization intercepted at or near surface in 3 of 3 holes
  - Drill hole RC21TS02: 21.00 m grading 0.72 g/t 2PGE+Au from surface, including 3.00 m grading 1.57 g/t 2PGE+Au, 0.21% Cu, 0.78% Ni from 11.00 m
  - Drill hole RC21TS03: 8.00 m grading 0.89 g/t 2PGE+Au, 0.14% Cu, 0.55% Ni from 3.00 m
- Esbarro NW – RC drilling at Esbarro NW confirms presence of surface PGE mineralization within 200 metres of northwestern boundary of existing Esbarro inferred resource, with 5 of 9 RC drill holes returning near-surface PGE mineralization over a geological trend of 250 m, including the following assay highlights:
  - Drill hole RC21ES01: 10 m grading 1.69 g/t 2PGE+Au from surface
  - Drill hole RC21ES08: 8 m grading 1.22 g/t 2PGE+Au from surface
- Cana Brava target advancement, RC assay highlights include:
  - Drill hole RC21CB05: 15.00 m at 1.52 g/t 2PGE+Au from 6.00 m, incl. 4.00 m at 4.56 g/t 2PGE+Au from 14.00 m
  - Drill hole RC21CB03: 11.00 m at 0.36 g/t 2PGE+Au from 8.00 m, incl. 2.00 m @ 1.60 g/t 2PGE+Au from 17.00 m
  - Drill hole RC21CB04: 11.00 m at 0.36 g/t 2PGE+Au from 8.00 m, incl. 2.00 m @ 1.60 g/t 2PGE+Au from 17.00 m
- 2021 core drilling assay highlights include:
  - Trapia 1 resource expansion
    - Drill hole DD21TU21: 71.90 m grading 1.29 g/t 2PGE+Au from 134.95 m, incl. 1.55 m grading 10.82 g/t 2PGE+Au from 167.75 m
    - Drill hole DD21TU22: 59.20 m grading 1.09 g/t 2PGE+Au from 172.80 m, incl. 1.25 m grading 15.11 g/t 2PGE+Au from 201.60 m
    - Drill hole DD21TU23: 49.75 m grading 0.66 g/t 2PGE+Au from 208.10 m
    - Drill hole DD21TU25: 57.35 m grading 1.00 g/t 2PGE+Au from 238.15 m, incl. 19.53 m grading 2.18 g/t 2PGE+Au from 270.00 m, and 12.50 m grading 0.69 g/t 2PGE+Au, 0.21% Cu, 0.40% Ni from 283.00 m
    - Drill hole DD21TU27: 23.30 m grading 1.01 g/t 2PGE+Au from 185.00 m
    - Drill hole DD21TU26: 15.38 m grading 0.61 g/t 2PGE+Au from 140.62 m
  - Trapia 2 resource expansion
    - Drill hole DD21TD14: 11.27 m at 2.10 g/t 2PGE+Au from 152.48 m
    - Drill hole DD21TD16: 45.45 m at 0.61 g/t 2PGE+Au from 178.55 m
    - Drill hole DD21TD17: 21.60 m at 0.49 g/t 2PGE+Au from 43.80 m
  - Santo Amaro resource expansion
    - Drill hole DD21SA42: 127 m at 0.85 g/t 2PGE+Au from 39 m, incl. 27 m at 2.25 g/t 2PGE+Au from 55 m
    - Drill hole DD21SA30: 36 m at 2.22 g/t 2PGE+Au from 43 m, incl. 9.1 m at 6.38 g/t 2PGE+Au from 43 m
    - Drill hole DD21SA34: 53 m at 1.19 g/t 2PGE+Au from 2 m, incl. 19.9 m at 2.13 g/t 2PGE+Au from 29 m
    - Drill hole DD21SA37: 22 m at 2.64 g/t 2PGE+Au from 18 m, incl. 5.95 m at 5.32 g/t 2PGE+Au from 29 m
    - Drill hole DD21SA29: 29 m at 1.41 g/t 2PGE+Au from 23 m
    - Drill hole DD21SA25: 59 m at 0.60 g/t 2PGE+Au from 42 m
    - Drill hole DD21SA33: 20 m at 1.67 g/t 2PGE+Au from 40 m

- Santo Amaro South target advancement
  - Drill hole DD21SAS05: 22 m at 1.40 g/t 2PGE+Au from 13 m
  - Drill hole DD21SAS04: 18 m at 1.46 g/t 2PGE+Au from 51 m, incl. 9.8 m at 2.42 g/t 2PGE+Au from 58 m, incl. 3.6 m at 4.22 g/t 2PGE+Au from 64 m
  - Drill hole DD21SAS07: 13 m at 1.29 g/t 2PGE+Au from 68.7 m, incl. 9.8 m at 1.47 g/t 2PGE+Au from 71 m, incl. 3.4 m at 2.13 g/t 2PGE+Au from 77 m
  
- Massape target advancement
  - Drill hole DD21MS12: 23 m at 1.19 g/t 2PGE+Au from 101 m, incl. 2.3 m at 3.18 g/t 2PGE+Au from 115 m, and 14 m at 0.99 g/t 2PGE+Au from 137 m, incl. 5.4 m at 2.26 g/t 2PGE+Au from 137 m
  - Drill hole DD21MS14: 24 m at 0.38 g/t 2PGE+Au from 140 m, and 13 m at 3.41 g/t 2PGE+Au from 191 m, incl. 2.5 m at 10.05 g/t 2PGE+Au from 197 m
  - Drill hole DD21MS13: 21 m at 1.67 g/t 2PGE+Au from 27 m, incl. 6.6 m at 3.22 g/t 2PGE+Au from 29 m
  - Drill hole DD21MS09: 26 m at 1.45 g/t 2PGE+Au from 67 m, incl. 9.1 m at 3.05 g/t 2PGE+Au from 84 m
  - Drill hole DD21MS06: 4.0 m at 1.73 g/t 2PGE+Au from 29 m, incl. 2.0 m at 3.10 g/t 2PGE+Au from 29 m, and 20 m at 0.44 g/t 2PGE+Au from 59 m

### **Pedra Branca PGE Project, Metallurgy and Mineral Processing**

- ValOre announced multiple positive metallurgical testwork results in Q4, 2020, including:
  - Platsol™ metallurgical recoveries of 93.4 to 93.6% for palladium (“Pd”) and 95.3 to 95.7% for platinum (“Pt”) were achieved in two tests conducted at SGS Lakefield, Ontario.
  - Hot cyanide leach tests recoveries of 84.4%, 88.5% and 91.7% Pd were achieved.
  - Falcon Ultrafine Gravity Concentrator was very effective at concentrating Pt, with 73.3% Pt recovered in only 9.6% of the mass and 82.6% Pt recovered in 32.1% of the mass.
  
- ValOre received positive STEINERT ore sorting testwork results for representative mineralized and barren rock types at Pedra Branca in Q4 2020. A set of 100 re-assayed and catalogued 5-cm samples of historical NQ drill core from the Esbarro PGE deposit, demonstrated distinct density responses for mineralized rock types, as well as barren granites and gneisses. Excellent rock density sortability, evidenced by distinct X-Ray Transmission (“XRT”) responses for both PGE mineralized and barren Pedra Branca rock types, with chromitite samples returned the most distinct XRT response, demonstrating the greatest potential for ore sorting technology to facilitate a high-grade fraction. Barren granite and gneiss samples also exhibited a unique XRT response, indicating the potential to separate waste rock from PGE-mineralized rock allowing for less process dilution.

To further evaluate the efficacy of STEINERT ore sorting at Pedra Branca, ValOre submitted a 300-kilogram (“kg”) bulk sample from historical drill core of the Esbarro deposit to support follow-up quantitative testwork at STEINERT in Belo Horizonte, Brazil. The sorting test was conducted in March 2021, and similar to the rock-by-rock testwork, the XRT again showed an excellent capacity to sort high-grade (chromitite) PGE rock samples on the basis of density contrast.

- A comprehensive mineralogical evaluation and characterization study for metallurgy at SGS Lakefield was concluded in June 2021. Results of this study suggest that the VeRoLiberator has the potential to markedly improve PGE liberation for the bulk tonnage Pedra Branca material (peridotites and dunites) – the efficacy of which could be further optimized with adjustment of the VeRo grind parameters (tool configuration, RPM speed, air flow through chamber etc.).



- Subsequent metallurgical tests were conducted at SGS Lakefield, including: hot cyanide leaching, and bottle roll tests. Recoveries were in line with previous cyanide leach testwork, showing favorable leachability of Pd.
- Ten HQ-size core drill holes totaling 591 metres at the Curiu and Esbarro PGE deposit areas were completed, logged, sampled and assayed prior to planned metallurgical testwork. All 10 drill holes confirmed the historically reported geology and returned high-grade, shallow PGE-mineralized intercepts including:
  - 77 m at 2.95 g/t 2PGE+Au from surface, incl. 45 m at 4.76 g/t 2PGE+Au, 0.1 g/t Rh from 16 m, and 6.4 m at 16.92 g/t 2PGE+Au and 0.52 g/t Rh from 30 m in drill hole DD21ES15C
  - 49 m at 2.03 g/t 2PGE+Au from 19 m, incl. 4.6 m at 11.94 g/t 2PGE+Au, 0.25 g/t Rh from 23.68 m in Drill hole DD21CU12A
  - 77 m at 1.01 g/t 2PGE+Au from surface in drill hole DD21PBE30A
  - 47 m at 1.51 g/t 2PGE+Au from surface in drill hole DD21CU12A
- In September, ValOre engaged highly experienced metallurgist, Chris Kaye, to oversee the current and future testwork campaigns, which will now be carried out at ALS Metallurgy Kamloops ("ALS"). Mr. Kaye will work with ValOre to develop and optimize a metallurgical flowsheet for Pedra Branca, to be included in a preliminary economic assessment scheduled for completion in H2, 2022.
- Metallurgical testwork program at ALS commenced mid-October, with a primary focus on mineralogy and conventional processing circuits for the Curiu and Esbarro deposits. Testwork results is expected in December 2021 and January 2022. Once a flowsheet has been established and optimized, the remaining resource zones will be incorporated in Q1 2022 testwork (Cedro, Trapia, Santo Amaro).

### **Pedra Branca PGE Project, Regional Exploration**

- ValOre technical team is conducting on-going field exploration programs at the Massape, Santo Amaro North, Santo Amaro, Santo Amaro South, Esbarro, Trapia South, Trapia Southwest, Cana Brava, and Pitombeiras targets in Q1 and Q2, 2021. Programs include soil sampling, trenching, Trado® auger drilling, geological mapping, prospecting, and rock sampling.
- On March 23, 2021, the Company announced assay results for 3 trenches and 19 Trado® auger holes collected from the Santo Amaro South target area at Pedra Branca. Highlights included:
  - Three trenches returned significant intervals of PGE mineralization, including:
    - 20 m grading 1.06 g/t 2PGE+Au, including 7 m grading 1.93 g/t 2PGE+Au
      - Contained within a broader interval of 61 m grading 0.43 g/t 2PGE+Au
      - Individual sample assays as high as 5.07 g/t 2PGE+Au
    - 77 m grading 0.20 g/t 2PGE+Au
    - 11 m grading 0.35 g/t 2PGE+Au
  - Trado® auger drilling assay highlights, from surface, include:
    - 10 m grading 1.64 g/t 2PGE+Au
    - 4 m grading 1.09 g/t 2PGE+Au
    - 3 m grading 0.66 g/t 2PGE+Au
- On April 26, 2021, ValOre announced assay results for 1 channel sample and 19 Trado® auger holes collected from the Esbarro NW target area at Pedra Branca Project. Vertical channel sample from historical workings 200 m outside the pit-constrained resource area returned significant intervals of PGE mineralization.

- Channel sample assay highlights include:
  - 6.5 m grading 2.17 g/t 2PGE+Au from surface, incl. 2.0 m grading 5.19 g/t 2PGE+Au from 4.50 m
  - Highest-grade result of 7.44 g/t 2PGE+Au coming from the bottom of pit
  - PGE mineralization open at depth and along strike in all directions.
- Trado® auger drilling returned near surface PGE assay results in 17 of 19 holes, with assay highlights including:
  - 12.0 m grading 1.73 g/t 2PGE+Au from surface, incl. 2.0 m grading 2.90 g/t from surface and 2.0 m grading 3.36 g/t from 8.0 m
  - 9.0 m grading 2.09 g/t 2PGE+Au from surface
  - Esbarro NW target is drill-ready, with 10 RC holes planned, totaling approximately 200 m
- ValOre has completed four rhodium (“Rh”) assay programs to date, with results for the final phase released on May 6, 2021. To date, a total of 1,069 samples have been assayed, collected from 154 drill holes (125 historical holes and 29 holes from ValOre’s 2020 drill campaigns):
  - All deposits and targets have returned Rh assays, establishing that Rh mineralization is present throughout the Pedra Branca PGE district
  - Highlight assays of 1.44 grams per tonne rhodium (“g/t Rh”) over 0.50 metres (“m”) and 1.37 g/t Rh over 0.50 m from the Esbarro deposit, 1.27 g/t Rh over 0.97 m from the Cedro deposit, and an average of 0.07 g/t Rh in samples with detectable Rh
  - >40% (432) of samples assayed to date have returned Rh assay results (≥0.01 g/t Rh)
  - A strong positive correlation between palladium + platinum + gold (“2PGE+Au”) grade and Rh grade is observed, with 78% of samples with 2PGE+Au grades >5 g/t returning anomalous Rh
  - Rh mineralization is shallow in nature, with the average Rh-bearing sample starting at 54 m drill hole depth.
- On July 6, 2021, ValOre announced the acquisition of twelve new claims totaling 16,000 hectares at Pedra Branca the Agência Nacional de Mineração (“ANM”) bid process conducted during June 2021. According to the process, it will now take several months for the updated land position to become officially recognized. Highlights include:
  - Acquisition of over 50 kilometres (“km”) of underexplored, undrilled, geological trend highly prospective for PGE discovery
  - Compelling data from historic exploration work, including untested soil anomalies, high grade grab samples, and coincident favorable geophysical signatures
  - Excellent existing network of well-maintained access roads and power supply throughout the expanded land position
  - First phase of exploration in preparation, including: WorldView spectral data, ground or droneborne magnetics, regional geological mapping and prospecting
- ValOre’s sequential exploration methodology was applied at multiple targets in H2, 2021, including Massape, Santo Amaro South, Trapia South, Cana Brava, and C-04, and positive results from geological mapping, Trado auger drilling, and subsequent trenching, led to drilling discoveries and successes at all tested targets (detailed in RC and core highlights bullets, above). This methodology is being deployed in the newly acquired ground, and zones of open / unconstrained mineralization intercepted in 2021.



### **Angilak Property, Uranium Project, Nunavut Territory**

- On May 10, 2021, ValOre provided an exploration update for the Angilak Property, which includes the acquisition of 466 km<sup>2</sup> (46,600 hectares) of new WorldView spectral data and high-spatial resolution imagery covering 100% of the high-priority targets and prospective basin-margin at the Angilak Property in Nunavut Territory, Canada. In addition, both the geophysical and geochemical datasets will be re-processed, and once all data has been received, a fully integrated district-wide targeting review will be conducted. The WorldView dataset will be captured at Angilak as soon as snow melt and general weather conditions improve, to optimize data quality. Anticipated capture timeline is July or August 2021, with subsequent interpretation and final products in September or October.
- On November 29, 2021, ValOre provided an additional exploration update for Angilak, and general summary of the 2022 exploration program. The 2022 Angilak exploration program will comprise a multi-faceted campaign including: core drilling, Enzyme Leach ("EL") soil sampling, ground geophysics including ground magnetics and VLF-EM, and district-wide prospecting, mapping, and sampling.

A property-wide targeting review has identified high-priority targets to be advanced in a fully funded 2022 exploration program, characterized into 3 target classes:

- Lac 50 Trend Resource Expansion: 4 targets adjacent or contiguous to inferred resource zones
- Target Advancement: 10 targets to follow-up ValOre U3O8 drill intercepts at zones not included in the inferred mineral resource
- New Discovery: 20 targets which merit drilling

## **MINERAL PROPERTIES AND EXPLORATION**

### **Pedra Branca, Ceará State, Brazil**

On August 14, 2019, ValOre closed the transaction by which ValOre acquired 100% of the Pedra Branca PGE Project in northeastern Brazil from Jangada Mines PLC ("Jangada"). Pursuant to a share purchase agreement among Jangada, ValOre and PBBM Holdings Ltd., a wholly owned, British Columbia incorporated subsidiary of ValOre, ValOre acquired Jangada's interest in the Brazilian holding company Pedra Branca Brasil Mineracao Ltda., which owns the Pedra Branca PGE Project.

Material Terms of the Pedra Branca Agreement:

Through PBBM Holdings Ltd., ValOre acquired a 100% interest in Pedra Branca Brasil Mineracao Ltda. in exchange for the following consideration:

1. the issuance and allotment to Jangada of:
  - a. 22,000,000 common shares in the authorized share capital of ValOre (issued) on closing of the Transaction.
  - b. 3,000,000 common shares in the authorized share capital of ValOre in six equal tranches commencing on the date falling six months after Closing and ending on the date falling thirty-six months after Closing, subject to any adjustment as a result of certain specified liabilities; and \*
2. cash payments to Jangada in the aggregate of \$3,000,000, as follows:
  - a. \$250,000 paid in May 2019
  - b. \$750,000 paid in August 2019
  - c. \$1,000,000 paid in November 2019
  - d. \$1,000,000 paid in February 2020

During the year ended September 30, 2021, pursuant to the share purchase agreement, ValOre issued 1,000,000 shares to Jangada valued at \$235,000.

The remaining 1,000,000 common shares are scheduled to be issued as follows:

- 500,000 common shares on or before February 14, 2022 and
- 500,000 common shares on or before August 14, 2022.

Pedra Branca Project covers a Platinum Group Elements district located in northeastern Brazil, which covers a total area of 39,987 hectares (98,810 acres) that comprise 39 exploration licenses. An additional 12 claims (16,000 ha) were secured in July 2021 by means of the Agência Nacional de Mineração ("ANM") bid process, and the official ownership date is anticipated to occur in October 2021. Once official, the updated Pedra Branca tenements will comprise 51 exploration licenses covering a total area of 55,984 ha (138,339 acres).

An independent 2019 National Instrument 43-101 resource estimate (the "Mineral Resources Estimates"), comprised of 5 distinct deposit areas, hosts an inferred resource of 1,067,000 ounces PGE+Gold in 27.2 million tonnes ("Mt") grading 1.22 grams PGM+Gold per tonne ("g PGE+Au/t"). PGE mineralization outcrops at surface and all of the inferred resources are potentially open pittable.

Based on assessment of historical work programs, more than US\$35M has been spent on the Pedra Branca to date, with Anglo American Platinum being the primary contributor throughout their 12-year project tenure. A substantial exploration database has been amassed over the Project's history, with >30,000 meters of diamond drilling, extensive ground and airborne geophysics, property-wide geochemistry, and wide-spread geological mapping. In the opinion of management, Pedra Branca remains underexplored, and provides excellent greenfields and brownfields exploration potential, as well as material resource growth potential.

The Pedra Branca property is accessed by a national paved highway from the port city of Fortaleza (population approximately 3 million). The small town of Capitão Mor is situated within the west-central Project area, and provides all necessary basic infrastructure, including energy, water, housing, office space, core storage and logging facilities, telephone access and internet. The Pedra Branca tenements are accessible by a network of dirt roads and jeep tracks. Given the arid local climate and minimal annual rainfall, roadways remain in excellent shape year-round.

ValOre completed an on budget 11,120-metre ("m") drill program in 2021 (108 holes total), comprised of 1,828 m of Reverse Circulation ("RC") drilling in 38 holes, and 9,292 m of core drilling in 70 holes. Primary focus of resource expansion (Trapia 1, Trapia 2, Santo Amaro), Target Advancement (Massape, Santo Amaro South, Cana Brava, C-04), and New Discovery (Esbarro NW, Trapia South, Trapia SW). Excellent resource expansion potential was demonstrated all three priority targets (Trapia 1, Trapia 2, Santo Amaro), and multiple new PGE discoveries were made with the RC rig (Trapia South, Esbarro NW). In addition, exciting potential was established at the pre-resource Massape and Santo Amaro South targets, both of which will be considered in the 2022 resource re-calculation.

In September 2022, ValOre engaged highly experienced metallurgist, Chris Kaye, to oversee the current and future testwork campaigns, which will now be carried out at ALS Metallurgy Kamloops ("ALS"), as it was determined that SGS Lakefield lacked the experience and bandwidth to complete the required testwork. Chris will work with ValOre to develop and optimize a metallurgical flowsheet for Pedra Branca, ultimately working towards a potential PEA in H2, 2022.

Metallurgical testwork program at ALS commenced mid-October, with a primary focus on mineralogy and conventional processing circuits for the Curiu and Esbarro deposits. Testwork results is expected in December 2021 and January 2022. Once a flowsheet has been established and optimized, the remaining resource zones will be incorporated in Q1 2022 testwork (Cedro, Trapia, Santo Amaro).

On-going field exploration programs continue property wide to advance the target pipeline and make new discoveries. Fieldwork programs include geological mapping and prospecting, soil sampling, Trado auger drilling, and trenching. To aid regional greenfield exploration, ValOre has purchased regional high-res SWIR (Short Wave Infrared) WorldView-3 spectral data in Q4, 2021, to bolster ValOre's existing LWIR (Long Wave Infrared) spectra WorldView-2 spectral data. The SWIR data was 83% captured as of December 2021 and finalized in January 2022. Processing and spectral mineral mapping will follow, for immediate implementation into regional exploration in Q1, 2022.

### **Angilak Property, Nunavut**

ValOre's 100% owned Angilak Property covers a total area of 59,483 hectares. The Property is located approximately 225 kilometres southwest of the community of Baker Lake in the Kivalliq region of southern Nunavut Territory, and subject to a 1% net smelter return ("NSR") royalty granted to Sandstorm Gold Ltd. ("Sandstorm").

Since acquiring the Angilak Property in 2008, the Company has invested approximately \$55 million conducting systematic exploration, including: ground and airborne geophysics, geological mapping; prospecting, and over 90,500 metres of diamond and reverse circulation ("RC") drilling.

The Angilak Property hosts the "Lac 50 Trend" uranium deposit, with a NI 43-101 Inferred Resource of 2,831,000 tonnes grading 0.69% U<sub>3</sub>O<sub>8</sub>, totaling 43.3 million pounds U<sub>3</sub>O<sub>8</sub>. ValOre's comprehensive exploration programs, and new discoveries, have demonstrated the district scale potential of the Angilak Property. For disclosure related to the inferred resource for the Lac 50 Trend uranium deposits, please refer to ValOre's news release of March 1, 2013.

The Dipole Trend was discovered in 2015 by drilling approximately 25 kilometres southwest of Lac 50 deposit. Uranium mineralization was encountered in all 9 holes drilled there and clearly demonstrates that Lac 50-type uranium mineralization exists along other trends on the Angilak Property. In 2016, follow-up till, boulder and trench sampling confirmed that high-grade polymetallic U-Cu-Ag-Au (Pt-Pd) mineralization also occurs midway between Lac 50 and Dipole, in the Yat Target Area.

In 2021, ValOre closed a \$11M financing for deployment at Angilak in 2022. The technical team has been engaged in a district-wide targeting review in H2, 2021, which includes the acquisition of 466 km<sup>2</sup> (46,600 hectares) of new WorldView spectral data and high-spatial resolution imagery covering 100% of the high-priority targets and prospective basin-margin. In addition, the entire geophysical and geochemical datasets have been re-processed. The targeting review has identified multiple high-priority targets to be advanced in a fully funded 2022 exploration program, which will include: core drilling, Enzyme Leach ("EL") soil sampling, ground geophysics including ground magnetics and VLF-EM, and district-wide prospecting, mapping, and sampling.

### **Baffin Gold Property, Nunavut**

In 2017, ValOre made a strategic addition to its project portfolio by acquiring a dominant land position over one of the largest undeveloped greenstone-iron formation gold belts in Nunavut, Canada. The Baffin Gold Property totals 352,760.89 hectares and covers over 130 kilometers of the Foxe Fold Belt on central Baffin Island. The land package consists of 13 Prospecting Permits (280,121.89 ha), which allow the Company to prospect in a large area without competition until 2022 (5 year period), and the exclusive rights to stake mineral claims within that area, and two Exploration Agreements with Nunavut Tunngavik Incorporated (NTI) on Inuit Owned Land parcel BI-35 (72,639 ha).

The Baffin Gold Property is a district-scale 100% owned land package comprised of consolidated mineral tenure, approximately 230 kilometers southwest of the community of Clyde River on Baffin Island, in the Qikiqtani region of Nunavut. The Property includes a Mineral Exploration Agreement ("MEA") held directly with Nunavut Tunngavik Inc. ("NTI") on Inuit Owned Lands, 13 prospecting permits from Indigenous Northern Affairs Canada, plus two additional MEA's with NTI and two crown claims obtained through an option agreement with Commander Resources Ltd. In March 2018, the Company granted Sandstorm a 1.75% NSR on the Property.

The Baffin Gold Property covers an entire Proterozoic gold belt having geological and structural similarities to multi-million-ounce gold mines in the north (i.e. Meadowbank, Lupin) as well as the prolific Homestake Mine in South Dakota. BHP-Billiton, Falconbridge, Commander Resources and AngloGold Ashanti have conducted exploration programs on the Property with extensive geoscience databases worth over \$25 million. The Property also has an existing camp, tidewater access and two 1,200-meter airstrips.

Rock sample results from ValOre's 2017 exploration program confirmed high-grade gold occurrences in banded iron-formation and metasediment hosted quartz veins. Geochemical till sample results identified a new 10-kilometre-long corridor of anomalous gold at south Kanosak.

Geochemical results also extended the strike length of known high-grade gold occurrences at Brent and expanded anomalies around historic gold in regional till results. Follow-up work in 2018 infilled the 2017 till grids and successfully outlined three, kilometre-scale areas with anomalous gold in underexplored, prospective geology west of the Brent and Ridge occurrences. Rock samples also confirmed high-grade gold at Durette. In addition, 6,984-line kilometres of airborne horizontal gradient magnetic survey now provides geophysical coverage across 110 kilometres of strike on the Property.

### **Hatchet Lake Property, Saskatchewan**

ValOre's entered into a definitive property option agreement with Azincourt Energy Corp on November 10, 2021, pursuant to which Azincourt was granted the option to acquire up to a seventy-five percent interest in the Hatchet Lake Uranium Project. Pursuant to the terms of the Option, Azincourt can acquire a seventy-five percent interest in the Project by completing a series of cash payments and share issuances to ValOre, and incurring certain expenditures on the Project, as follows:

	Cash Payments	Common Shares	Exploration Expenditures
Upon the grant of the Option	\$100,000	\$250,000	Not Applicable
Within 12 Months	\$250,000	\$500,000	\$1,000,000
Within 24 Months	\$250,000	\$500,000	\$1,000,000
Within 36 Months	\$250,000	\$500,000	\$2,000,000

All common shares issuable to ValOre will be calculated and issued at a deemed price equivalent to the volume-weighted average closing price of the common shares of Azincourt on the TSX Venture Exchange in the twenty trading days immediately prior to issuance, subject to a minimum price of \$0.05.

Following completion of these requirements Azincourt will hold a seventy-five percent interest in the Project. In the event Azincourt does not complete the final cash payment (\$250,000) and share issuance (\$250,000), and incur the final expenditures (\$2,000,000), the Optionee will hold a fifty percent interest in the Project.

All securities issued in connection with the Option will be subject to a four-month-and-one-day statutory hold period. The Option remains subject to the approval of the TSX Venture Exchange. In connection with the grant of the Option, a cash fee of \$105,000 is owing by Azincourt to an arms-length party who assisted with the introduction of transaction.

The Hatchet Lake Property consists of six mineral dispositions totaling 13,711 hectares, located adjacent to the north-eastern margin of the Athabasca Basin in Saskatchewan and 3.5 kilometres northwest of ValOre's Genesis Property. This property is subject to a 2% NSR royalty granted to Rio Tinto, with ValOre holding a buyback right of 0.5% for \$750,000. ValOre has subsequently transferred its 0.5% NSR buyback right to Sandstorm.

The Hatchet Lake Property was staked for its potential to host significant uranium deposits. It is situated on the Mudjatik-Wollaston Transition Zone, along strike from world class uranium mines such as McArthur River and Cigar Lake. The exploration model for the Hatchet Lake Property targets unconformity related and basement hosted deposits like Roughrider, Millennium, Patterson Lake South and the Eagle Point mine 29 kilometres to the south.

The objective of ValOre programs since 2015 was to follow-up and build upon multiple target areas from previous work by Hathor Exploration Ltd. and Rio Tinto. Exploration by ValOre included ground geophysics, an airborne geophysical survey (ZTEM™), soil sampling, vegetation (biogeochemical) sampling and prospecting. This work by ValOre highlighted two priority target areas, Upper Manson and Scrimmes, plus numerous uranium geochemical anomalies coincident with conductive geophysical trends.

### **Genesis Property, Saskatchewan & Manitoba**

ValOre's jointly owned Genesis Uranium Property (50% ValOre, 50% Coast Copper Corp. or "Coast Copper") (formerly Roughrider Exploration Limited) or was initially staked as five claim blocks located 25 kilometres northeast of Cameco Corporation's Eagle Point uranium mine site and these extended 90 kilometres to the Manitoba border.

Exploration by ValOre and Coast Copper since 2014 included several airborne geophysical surveys (magnetic-EM, gravity, ZTEM™), lake sediment sampling, soil sampling, vegetation (biogeochemical) sampling and prospecting. Programs focussed on systematic and targeted exploration that generated several geochemical and geophysical priority target areas such as Jurgen 1-2, Kingston, Johnston/GAP and Daniels Bay, however during the year ended September 30, 2019, management decided to no longer pursue exploration activities on this project and as a result decided to write it off. Currently there are six active mineral claims in ValOre's name on the Genesis Property in Saskatchewan, totalling 397.31 ha.

### **Baker Basin, Nunavut**

The Baker Basin Uranium Project is located south of the hamlet of Baker Lake in Nunavut Territory, Canada. ValOre acquired 100% of Pacific Ridge Exploration Ltd's ("PEX") ownership interest in the Baker Basin Property through payment of 60,000 shares of ValOre, \$55,000 in cash and a \$70,000 private placement purchase of PEX units. During the year ended September 30, 2018, ValOre determined it would not conduct further exploration on the Baker Basin property and during the quarter ended December 31, 2018 a final charge on Baker Basin of \$202 was recorded and subsequently the property was written down to a value of \$Nil. Three active mineral claims, totaling 4,141.57 ha, remain in ValOre's name.

## **QUALIFIED PERSON**

The scientific and technical data contained in the property descriptions were reviewed by Mr. Colin Smith, P.Geo., ValOre's Vice President of Exploration, He is responsible for ensuring that the geologic information provided in this section of the Management Discussion and Analysis is accurate and acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Project.

## SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data reported by ValOre for the years ended September 30, 2021, 2020 and 2019. The information set forth should be read in conjunction with the audited annual financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related notes thereon.

	For the year ended or as at Sept 30, 2021	For the year ended or as at Sept 30, 2020	For the year ended or as at Sept 30, 2019
Project operator fees	Nil	Nil	Nil
Interest and other income	\$26,876	\$18,032	\$17,350
Loss	\$5,636,732	\$3,734,592	\$3,864,947
Basic and diluted loss per common share	\$0.05	\$0.04	\$0.08
Total assets	\$12,633,895	\$10,668,688	\$12,765,519
Total long-term debt	\$1,254,945	\$466,215	\$507,994
Shareholders' equity (deficiency)	\$11,062,091	\$8,253,818	\$9,952,654
Share capital	\$82,992,926	\$74,184,894	\$72,198,531
Contributed surplus	\$13,329,901	\$13,455,676	\$13,391,291
Deficit	\$85,445,566	\$79,808,834	\$76,074,242
Cash dividends declared per common share	Nil	Nil	Nil

## RESULTS OF OPERATIONS

As at September 30, 2021 exploration and evaluation assets totalled \$9,867,889 (September 30, 2020 - \$9,867,889). For details of the cost break-down, please refer to Note 6 of the condensed interim consolidated financial statements for the year ended September 30, 2021.

### For the year ended September 30, 2021 and 2020

Net loss before income taxes for the year ended September 30, 2021 was \$5,636,732 or (\$0.05) per common share (2020 - \$3,734,592 or (\$0.04) per common share). The variances from the prior year were primarily due to the following items:

- Evaluation and exploration expenditures of \$4,218,666 (2020 - \$1,915,124). The increase is due to an expansion in field operations in Brazil as compared to same period last year.
- Bank charges and interest of \$81,084 (2020 - \$27,417). The increase is due to interest and accretion fees paid in relation to the loan payable (For further details, please refer to Note 8 of the condensed interim consolidated financial statements for the year ended September 30, 2021).
- Listing and filing fees of \$100,211 (2020 - \$46,876). The increase is due to the private placement occurred in February as well as the increase in business activity.
- Travel and conference fees of \$37,355 (2020 - \$153,031). The decrease is due to the COVID-19 international travel restrictions.



## SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected quarterly financial data reported by the Company.

	Sept 30, 2021	June 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income (expense)	13,169	8,610	4,673	424	188	308	3,413	8,873
Net loss	(2,482,511)	(1,206,178)	(654,810)	(1,293,233)	(1,361,448)	(595,118)	(929,267)	(848,759)
Basic and diluted loss per common share	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Total assets	12,633,895	14,114,396	15,198,420	10,107,709	10,668,688	10,378,102	10,475,989	11,001,136
Shareholders' equity	11,062,091	13,256,952	14,463,130	6,974,433	8,253,818	9,134,610	9,572,090	9,123,214
Share capital	82,992,926	82,365,056	82,365,056	74,207,165	74,184,894	73,750,131	73,750,131	72,198,531
Contributed surplus	13,329,901	13,552,621	13,552,621	13,449,505	13,455,676	13,391,291	13,391,291	13,391,291
Deficit	85,445,566	82,963,055	81,756,877	81,102,067	79,808,834	78,447,386	77,852,268	76,923,001
Cash dividends declared per common share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### **For the three months ended September 30, 2021 and 2020**

Net loss before income taxes for the three months ended September 30, 2021 was \$2,482,511 or (\$0.02) per common share (2020 – \$1,361,448 or (\$0.02) per common share). The variances from the prior year were primarily due to the following items:

- Evaluation and exploration expenditures of \$2,084,355 (2020 – \$683,384). The increase is due to an expansion in field operations in Brazil as compared to same period last year.
- Investor relations of \$54,581 (2020 - \$21,757). The increase is due to an expansion in the Company's operations in Canada and in Brazil as compared to same period last year.
- Listing and filing fees of \$60,750 (2020 - \$16,077). The increase is due to the private placement occurred in February as well as the increase in business activity.

## LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, ValOre had a working capital surplus of \$2,285,558 (September 30, 2020 – negative working capital of \$1,273,347). ValOre has sufficient cash to fund its current operating and administration costs for the next twelve months.

At September 30, 2021, ValOre had a cash balance of \$2,516,919 (September 30, 2020 - \$534,282) to settle accounts payable and accrued liabilities of \$316,859 (September 30, 2020 - \$642,801). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to conventional trade terms.

On February 17, 2021, ValOre closed a private placement with the issuing of 27,758,334 units at a price of \$0.30 per unit for gross proceeds of \$8,327,500. The private placement proceeds will be used to conduct mineral exploration at ValOre's projects in Canada and Pedra Branca Project in Brazil, in addition to general working capital purposes.

The net change in cash as at September 30, 2021 was an increase in cash of \$1,982,637 (September 30, 2020 – decrease in cash of \$1,934,092), due to the following activities:

**Cash used in operating activities**

Net cash used in operating activities during the year ended September 30, 2021 was \$5,075,806 (2020 - \$2,851,581). Cash was mostly spent on exploration and development work, management, consulting, and general and administrative costs.

**Cash provided by investing activities**

Total cash provided by investing activities during the year ended September 30, 2021 was \$5,364 (2020 – cash used \$1,786,611), resulting from the sale of securities and purchase of equipment.

**Cash generated by financing activities**

Total net cash generated by financing activities during the year ended September 30, 2021 was \$7,053,079 (2020 - \$2,704,100), resulting from funds raised through the private placement, net of share issuance costs, the proceeds from the exercise of warrants, and repayment of loan.

At September 30, 2021, ValOre's investment in exploration and evaluation assets, aggregated \$9,867,889 (September 30, 2020 - \$9,867,889), made up of the following (please refer to Note 3 and 6 of the condensed interim consolidated financials for the year ended September 30, 2021):

	Cumulative as at September 30, 2021	Cumulative as at September 30, 2020
Angilak, Nunavut	\$ 949,439	\$ 949,439
Pedra Branca	\$ 8,918,450	\$ 8,918,450
Total	\$ 9,867,889	\$ 9,867,889

Subsequent to the year ended September 30, 2021, in November 2021, ValOre closed a brokered private placement (the "Offering") with the issuance of 18,333,333 flow through units at a price of \$0.60 per unit for gross proceeds of \$11,000,000. Each Charity FT Unit consists of one common share ("FT Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), each of which is issued as a "flow-through share" within the meaning of the Income Tax Act (Canada). ValOre intends to use the proceeds raised from the Offering for exploration work on ValOre's Angilak Property Uranium Project in Nunavut Territory. The gross proceeds from the issuance of the FT Shares will be used for "Canadian Exploration Expenses" within the meaning of the Income Tax Act (Canada) (the "Qualifying Expenditures").

If warranted, ValOre plans to utilize the expertise of its board and management to raise additional funds to undertake its planned exploration activities and to meet its administrative overhead expenses for at least the next twelve months.

Actual funding requirements may vary from those planned due to a number of factors, including the results of exploration activity and market conditions. ValOre expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out ValOre's properties to qualified mineral exploration companies. There can be no assurance that ValOre will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause ValOre to suspend its operations and eventually to forfeit or sell its interest in its exploration and evaluation assets.

## **Risks and Uncertainties**

### ***Exploration Stage Company***

ValOre is engaged in the business of acquiring and exploring mineral properties with the objective of locating and advancing economic mineral deposits. The Company currently has interests in exploration projects in northern Canada and Brazil. In addition to uranium exploration properties in Nunavut Territory and the Provinces of Saskatchewan and Manitoba, ValOre holds the Baffin Gold Property in Nunavut Territory and the Pedra Branca Platinum Group Elements ("PGE") Project in northeastern Brazil that hosts palladium (Pd) + platinum (Pt) + gold (Au) mineralization.

Both the Angilak and Pedra Branca projects have benefited from significant exploration campaigns by several different exploration groups over the past 40 years, which included initial metallurgy and engineering work. Additionally, both Angilak and Pedra Branca host deposits with published NI 43-101 inferred resources. The Baffin Gold Property in Nunavut, Hatchet Lake and Genesis Properties in Saskatchewan (and Manitoba) are currently at an early stage of exploration.

Development of ValOre's properties will only follow upon obtaining satisfactory exploration results. There can be no assurance that ValOre's existing or future exploration programs will result in the discovery of commercially viable mineral deposits. Further, there can be no assurance that even if a mineral deposit is located, that it can be commercially mined.

### ***Mineral Exploration and Development***

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mineral deposit or ore body may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on ValOre.

### ***Mining Operations and Insurance***

Mining operations generally involve a high degree of risk. ValOre's operations are subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, and political unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. ValOre does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may cause substantial delays and require significant capital outlays.

### ***No Operating History and Financial Resources***

ValOre does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its existing cash resources, following any proposed private placements, will be sufficient to cover its projected funding requirements for the ensuing year.

If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for ValOre to acquire and explore other mineral interests. ValOre has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause ValOre to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

### ***Government Regulation***

The current or future operations of ValOre, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. There can be no assurance, however, that ValOre will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which ValOre may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to ValOre's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

### ***Competition***

The mineral exploration and mining business is competitive in all of its phases. ValOre will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. ValOre's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that ValOre will be able to compete successfully with others in acquiring such prospects.

### ***Title to Property***

ValOre has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that ValOre will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of ValOre's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that ValOre may lose all or part of its interest in the properties to which such defects relate.

### ***Permitting and Regulatory Risks***

Amendments to current laws, regulations and permits governing operations and activities of mining companies could have a material adverse impact on the Company. As well, policy changes and political pressures within and on federal, territorial, and First Nation governments having jurisdiction over or dealings with the Company could change the implementation and interpretation of such laws, regulations and permits, also having a material adverse impact on the Company. Such impacts could result in one or more increases in capital expenditures or reduction or delays in further exploration activities.

### ***Environmental Risks and Hazards***

All phases of ValOre's operations will be subject to environmental regulation in the jurisdictions in which it intends to operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which ValOre holds interests or on properties that will be acquired which are unknown to ValOre at present and which have been caused by previous or existing owners or operators of the properties.

### ***COVID-19***

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, there have been limited adverse effects on ValOre's business or ability to raise funds.

### ***Commodity Prices***

The price of ValOre's securities, its financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of base metals & minerals. These prices fluctuate widely and are affected by numerous factors beyond ValOre's control such as the sale or purchase of uranium by various dealers, government agencies and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. These prices fluctuate widely, and future serious price declines could cause continued development of ValOre's properties to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly lower uranium and platinum group elements prices could result in material write-downs of ValOre's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

### ***Price Volatility***

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for ValOre's securities will be subject to such market uncertainties and the value of such securities may be affected accordingly.

### ***Key Executives***

ValOre is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the operations of ValOre are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of ValOre, the loss of these persons or ValOre's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. ValOre does not currently carry any key-man life insurance on any of its executives. The directors and officers of ValOre only devote part of their time to the affairs of ValOre.

### ***Potential Conflicts of Interest***

Certain directors and officers of ValOre are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of ValOre. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of ValOre. Directors and officers of ValOre with conflicts of interest are subject to and do follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### ***Dividends***

ValOre has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of ValOre and will depend on ValOre's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of ValOre deem relevant.

### ***Nature of the Securities***

The purchase of ValOre's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. ValOre's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in ValOre's securities should not constitute a major portion of an investor's portfolio.

## **OFF BALANCE SHEET ARRANGEMENTS**

ValOre does not utilize off balance sheet arrangements.



## TRANSACTIONS WITH RELATED PARTIES

### ***Key management compensation***

Key management consists of ValOre's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. The aggregate value of compensation with key management for the year ended September 30, 2021 was \$430,800 (2020 - \$448,588) and was comprised of the following:

	Year Ended	
	September 30, 2021	September 30, 2020
Management and consulting fees	\$ 210,000	\$ 215,788
Directors fees (included in Management and consulting fees in the Statements of Loss and Comprehensive Loss)	220,800	232,800
Share-based compensation	-	96,416
<b>Total remuneration</b>	<b>\$ 430,800</b>	<b>\$ 545,004</b>

The amounts charged to ValOre for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements.

Related party transactions and balances not disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

### **Other related party transactions**

During the year ended September 30, 2021, ValOre incurred a total of \$60,000 (2020 - \$60,000) in consulting fees and \$22,476 (2020 - \$42,960) in rent from a company owned by a close family member of the CFO.

### **Due to/from related parties**

As at September 30, 2021, \$Nil (September 30, 2020 - \$83,821) was owed to directors of the Company for director fees. This amount is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, have no fixed repayments and are non-interest bearing.

### **Loan payable**

During the year ended September 30, 2021, the Company repaid the full amount of the loans due to the CEO and CFO. As at September 30, 2021, \$nil (September 30, 2020 - \$1,305,854) was owed to the CEO or CFO of the Company in relation to the loan payable.

## PROPOSED TRANSACTIONS

There are no proposed transactions that should be disclosed.

## CRITICAL ACCOUNTING ESTIMATES

ValOre's accounting policies are presented Note 2 of the condensed interim consolidated financial statements for the year ended September 30, 2021. The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the carrying values of exploration and evaluation assets
- the valuation of stock-based compensation expense

### ***Exploration and evaluation assets***

The carrying amount of ValOre's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

### ***Stock-based compensation expense***

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

The accounting policies in preparation of the consolidated financial statements for the year ended September 30, 2021 are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended September 30, 2020.

### ***Recently adopted accounting pronouncements***

On October 1, 2019, the Company adopted IFRS 16, Leases and IFRIC 23, Uncertainty over Income Tax Treatments which has an initial application as at this date.

IFRS 16, Leases standard establishes principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company has assessed its office lease agreement and concluded that the agreement does not constitute the ability to direct the use (right to use) of the underlying office premises in the context of IFRS 16. As such, the adoption of the above standard has not had an impact on the results and financial position of ValOre.

IFRIC 23, Uncertainty over Income Tax Treatments clarifies the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12, Income Taxes when there is uncertainty over income tax treatments. The adoption of IFRIC 23 has not had an impact on the consolidated financial statements of ValOre.

***New accounting standards issued but not yet in effect:***

IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

The amendment to IAS 16 prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss. The Company does not expect the adoption of this new amendment to have a significant impact on the consolidated financial statements.

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the adoption of this new amendment to have a significant impact on the consolidated financial statements

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

### **Categories of financial assets and liabilities**

The fair value of the Company's cash and cash equivalents, other receivables, GST recoverable, and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the statement of financial position due to their short-term nature. The Company's marketable securities, under the fair value hierarchy, are based on level one inputs.

### ***Foreign currency translation***

The functional currency of ValOre and its subsidiaries is the Canadian dollar. Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate in effect at the financial statement date. Exchange gains or losses arising from these translations are recognized in profit or loss for the reporting period.

### ***Credit risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, other receivables, marketable securities and GST recoverable.

Management believes that the credit risk concentration with respect to financial instruments included in cash, marketable securities, other receivables and GST recoverable is remote as they relate to deposits and interest receivable from major financial institutions, marketable securities held with a major brokerage firm, and one other small balance. The maximum credit risk as at September 30, 2021 was \$2,535,084 (September 30, 2020 - \$640,613).

### ***Liquidity risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2021, ValOre had a cash balance of \$2,516,919 (September 30, 2020 - \$534,282) to settle accounts payable and accrued liabilities of \$316,859 (September 30, 2020 - \$642,801).

### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2021, the Company is not exposed to significant interest rate risk.

(b) Foreign currency risk

ValOre is exposed to foreign currency risk on fluctuations related to cash, accounts receivable and accounts payable and accrued liabilities, denominated in Brazilian Real. A 10% fluctuation between the Canadian dollar and the Brazilian real would impact profit or loss by approximately \$3,272 (2020- \$11,000)

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company maintains certain investments in marketable securities which are measured at fair value, being the closing price of each equity investment at the statement of financial position date. We are exposed to changes in share prices which would result in gains and losses being recognized in total comprehensive loss. During the year ended September 30, 2021, the Company sold its remaining securities (Note 4 of the audited consolidated financial statements for the year ended September 30, 2021). A 10% fluctuation in the price of the Company's marketable securities would increase/decrease comprehensive loss by \$Nil as at September 30, 2021 (September 30, 2020 - \$8,390).

## **OTHER REQUIREMENTS**

### **Additional Disclosure for Toronto Stock Exchange Venture Issuers Without Significant Revenue**

Additional disclosure concerning ValOre's general and administrative expenses and exploration and evaluation assets is provided in ValOre's Statement of Loss and Deficit and Schedule of Exploration and Evaluation Assets contained in its condensed interim consolidated financial statements for the year ended September 30, 2021 and its audited annual financial statements for September 30, 2020, available on [www.sedar.com](http://www.sedar.com).

### **Commitments**

As part of the agreement pertaining to Angilak Property, ValOre is committed to paying annual advance royalty fees of \$50,000 to NTI. NTI allowed the Company to defer the annual advance royalty payments due on March 31, 2015, 2016, and 2018 to December 31, 2019 (paid), 2020 (paid), and 2021 (paid), respectively.

## Outstanding Share Data

ValOre's authorized share capital is unlimited common shares without par value. As at January 28, 2022, the following common shares, options, and share purchase warrants were outstanding:

	<b># of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Issued and outstanding common shares *	140,787,912		
Warrants	71,250	\$1.50	February 17, 2022
	14,470,932	\$0.45	February 17, 2023
	10,199,035	\$0.65	November 17, 2023
Options	705,000	\$1.00	July 6, 2022
	1,750,000	\$0.30	August 10, 2023
	4,425,000	\$0.25	September 6, 2024
	6,600,000	\$0.45	December 9, 2024
Fully Diluted at January 28, 2022	179,009,129		

\* This amount will increase by 1,000,000 shares once payments under the Jangada deal are completed.

NOTE: On June 28, 2018 the Company's shares started trading on the basis of ten pre-consolidation shares for one post consolidation share. The outstanding warrants & options were also adjusted on this basis.

## APPROVAL

The Board of Directors of ValOre Metals Corp. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## ADDITIONAL INFORMATION

Additional information can be obtained on SEDAR [www.sedar.com](http://www.sedar.com) or by contacting:

**ValOre Metals Corp.**

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**VALORE METALS CORP.**

/s/ "James Paterson"  
James R. Paterson  
Chief Executive Officer

**VALORE METALS CORP.**

/s/ "Robert Scott"  
Robert Scott  
Chief Financial Officer