



**Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended December 31, 2023 and 2022**

(Unaudited - Expressed in Canadian Dollars)

### **Notice of Non-review of Condensed Interim Consolidated Financial Statements**

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The attached condensed interim consolidated financial statements for the three months ended December 31, 2023 have not been reviewed by the Company's auditors.

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note(s)	December 31, 2023	September 30, 2023
<b>ASSETS</b>			
Current assets:			
Cash		\$ 70,473	\$ 1,209,291
Other receivables		1,860	1,813
GST recoverable		15,280	-
Prepaid expenses		104,059	136,018
Total current assets		191,672	1,347,122
Non-current assets:			
Equipment	4	32,937	37,409
Exploration and evaluation assets	5	8,918,450	8,918,450
Total assets		\$ 9,143,059	\$ 10,302,981
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	7,10	\$ 713,578	\$ 1,075,092
Loan payable	8,10	\$ 50,000	\$ -
Total liabilities		763,578	1,075,092
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	74,223,932	74,223,932
Contributed surplus	9	14,995,130	14,895,776
Subscription receivable	9	-	-
Accumulated other comprehensive loss		(116,214)	(116,214)
Deficit		(80,723,367)	(79,775,605)
Total shareholders' equity		8,379,481	9,227,889
Total liabilities and shareholders' equity		\$ 9,143,059	\$ 10,302,981

Nature of Operations and Going Concern (*Note 1*)Subsequent event (*Note 14*)

APPROVED ON FEBRUARY 21, 2024 ON BEHALF OF THE BOARD:

"James Paterson", CEO, Director"Dale Wallster", Director

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		<b>Three months ended December 31,</b>	
	Note(s)	<b>2023</b>	<b>2022</b>
<b>Expenses</b>			
Depreciation	4	\$ 4,472	\$ 12,127
Bank charges and interest		1,808	2,689
Exploration expenditures	5	523,482	1,014,646
Investor relations		27,574	101,123
Listing and filing fees		13,809	9,149
Management and consulting fees	10	131,920	124,057
Office and sundry		25,147	960
Professional fees		68,299	53,105
Share-based compensation	9	99,354	-
Travel and conference		63,879	51,643
<b>Loss before the undernoted</b>		<b>(959,744)</b>	<b>(1,369,499)</b>
<b>Other income (expenses)</b>			
Interest income		5,508	5,583
Foreign exchange		6,474	(2,812)
<b>Loss and comprehensive loss for the period</b>		<b>\$ (947,762)</b>	<b>\$ (1,366,728)</b>
<b>Basic and diluted loss per common share</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>168,271,245</b>	<b>153,681,245</b>

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	<b>Three months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net loss for the period	\$ (947,762)	\$ (1,366,728)
<i>Items not involving cash:</i>		
Depreciation	4,472	12,127
Accretion	-	13,746
Share-based compensation	99,354	-
<i>Changes in non-cash working capital:</i>		
Other receivables	(47)	-
GST recoverable	(15,280)	312,002
Prepaid expenses	31,959	93,702
Accounts payable and accrued liabilities	(361,514)	(997,145)
<b>Net cash used in operating activities</b>	<b>(1,188,818)</b>	<b>(1,932,296)</b>
Cash flows from financing activities:		
Proceeds from related party loan	50,000	400,000
Subscription received	-	16,000
<b>Net cash provided by financing activities</b>	<b>50,000</b>	<b>416,000</b>
Net increase (decrease) in cash	(1,138,818)	(1,519,296)
Cash, beginning of the period	1,209,291	1,593,793
Cash, end of the period	\$ 70,473	77,497

During the period ended December 31, 2023, the Company paid \$Nil (2022 - \$Nil) in interest, and \$Nil (2022 - \$Nil) in taxes.

**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Change in fair value of marketable securities	\$	-	\$	-
Fair value of options exercised	\$	-	\$	-
Fair value of warrants issued on private placement	\$	-	\$	-
Fair value of finders warrants	\$	-	\$	-
Flow through premium liability	\$	-	\$	-

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Shareholder's Equity

Expressed in Canadian Dollars)

	Share Capital (Note 8)				Subscription receivable	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Number of shares	Amount	Contributed surplus					
<b>Balance at September 30, 2022</b>	<b>153,681,245</b>	<b>\$98,162,956</b>	<b>\$14,892,752</b>	<b>\$ (16,000)</b>	<b>\$(103,771,148)</b>	<b>\$ (116,214)</b>	<b>\$ 9,152,346</b>	
Subscription received	-	-	-	16,000	-	-	16,000	
Net loss for the period					(1,366,728)		(1,366,728)	
<b>Balance at December 31, 2022</b>	<b>153,681,245</b>	<b>\$98,162,956</b>	<b>\$14,892,752</b>	<b>\$ -</b>	<b>\$(105,137,876)</b>	<b>\$ (116,214)</b>	<b>\$ 7,801,618</b>	
<b>Balance at September 30, 2023</b>	<b>173,840,145</b>	<b>\$ 74,223,932</b>	<b>\$14,895,776</b>	<b>-</b>	<b>\$ (79,775,605)</b>	<b>\$ (116,214)</b>	<b>\$ 9,227,889</b>	
Share-based compensation		-	99,354	-	-	-	99,354	
Net loss for the period		-	-	-	(947,762)	-	(947,762)	
<b>Balance at December 31, 2023</b>	<b>173,840,145</b>	<b>\$ 74,223,932</b>	<b>\$14,995,130</b>	<b>-</b>	<b>\$ (80,723,367)</b>	<b>\$ (116,214)</b>	<b>\$ 8,379,481</b>	

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

# ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

---

## 1. Nature of operations and going concern

ValOre Metals Corp. (the “Company” or “ValOre”) is an exploration stage company focused on the acquisition, exploration and development of resource properties. The Company’s registered and records office is located at Suite 1020, 800 West Pender Street, Vancouver, BC, V6C 2V6.

The Company was incorporated as a wholly owned subsidiary of Kaminak Gold Corporation (“Kaminak”) on February 13, 2008 as 0816479 BC Ltd. under British Columbia’s Company Act. Effective February 20, 2008, 0816479 BC Ltd. changed its name to Kivalliq Energy Corporation (“Kivalliq”).

Kivalliq became a reporting issuer in Alberta and British Columbia on July 4, 2008 by virtue of a reorganization transaction involving the exchange of securities between Kaminak, Kivalliq and the shareholders of Kaminak. The reorganization transaction involved the acquisition from Kaminak of a 100% interest in Kaminak’s Angilak Uranium property. On July 7, 2008, after completion of private placements, the Company’s shares became publicly traded on the TSX Venture Exchange under the trading symbol “KIV”.

On June 28, 2018, the Company’s name was officially changed to ValOre Metals Corp. and ValOre’s shares commenced trading on the TSX Venture Exchange having the trading symbol (“VO”).

Long-term continuance of the Company’s operations is dependent upon achieving profitable operations and obtaining additional equity or debt financing. The recoverability of the carrying values of the Company’s resource property interests is dependent upon the existence and discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production from or proceeds from the disposition of resource properties. As of September 30, 2023, the Company has not achieved profitable operations and has accumulated losses since inception.

As at December 31, 2023 the Company had current assets of \$191,672 to settle current liabilities of \$763,578, leaving the company with a negative working capital of \$571,906. ValOre may be required to delay discretionary expenditures if additional financing cannot be obtained on reasonable terms. Failure to obtain additional financing when required may result in the loss of some, or all, of the Company’s exploration and evaluation assets (Note 5). These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

## 2. Significant accounting policies, estimates and judgements

### a) Basis of presentation, principles of consolidation and statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at December 31, 2023 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended September 30, 2023.

In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending September 30, 2024.

The condensed interim consolidated financial statements for the three months ended December 31, 2023 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 21, 2024.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

---

These condensed interim consolidated financial statements include the financial statements of ValOre Metals Corp. and its wholly owned subsidiaries PBBM Holdings Ltd. and Pedra Branca do Brasil Mineracao Ltda. All intercompany transactions and balances have been eliminated upon consolidation.

### b) Critical accounting judgements and estimates

The preparation of these interim financial statements requires the use of certain significant accounting estimates and judgments by management in applying the Company's accounting policies. The areas involving significant judgments, estimates and assumptions have been set out in and are consistent with Note 2 of the Company's annual audited consolidated financial statements for the year ended September 30, 2023.

### 3. Plan of Arrangement

On March 21, 2023, ValOre incorporated a new subsidiary, 5833 Nunavut Ltd., to facilitate a Plan of Arrangement ("Arrangement") where the Angilak Property would be spun out to Labrador Uranium Inc.; now renamed Latitude Uranium Inc. ("Latitude") and trading on the Canadian Securities Exchange, trading symbol LUR.

On June 19, 2023, ValOre transferred its 100% interest in the Angilak Property and completed the Arrangement to spin out the shares of Latitude to the shareholders of the Company. Pursuant to the Arrangement, holders of ValOre common shares received one new common share of ValOre (each, a "Share") and 0.575 of a Latitude share (each, a "Latitude Share") for each common share held. The carrying value of the net assets transferred to Latitude, pursuant to the Arrangement, consisted of the following assets:

Consideration received from Latitude:	
Cash	3,000,000
Latitude shares (100,000,000 shares @ \$0.28)	28,000,000
Total consideration	\$31,000,000
Carrying value Angilak property:	
Equipment	38,624
Exploration and evaluation asset	949,439
Less: Decommissioning liability	(1,478,301)
Fair value of net assets transferred	490,238
<b>Gain on arrangement</b>	<b>\$31,490,238</b>

In accordance with IFRIC 17, Distribution of Non-cash Assets to Owners, the Company recognized the transfer of Latitude shares to ValOre shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the consolidated statement of comprehensive loss. The distribution was valued at \$28,000,000 based on the fair value of the common shares of Latitude and the Company recorded a gain on the arrangement totaling \$31,490,238. Included in professional fees are \$1,500,000 related to transaction costs in relation to the arrangement.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

### 4. Equipment

	Furniture & Equipment*	Computer Equipment	Field Equipment*	Vehicles	Total
<b>Cost</b>					
Balance at September 30, 2022	\$ 31,595	\$ 24,719	\$ 925,225	\$ 76,279	\$ 1,057,818
Derecognize transfer to latitude	(31,595)	-	(925,225)	-	(956,820)
Balance at September 30, 2023	-	\$ 24,719	-	\$ 76,279	\$ 100,998
<b>Accumulated depreciation</b>					
Balance at September 30, 2022	\$ 29,636	\$ 24,449	\$ 865,385	\$ 21,909	\$ 941,379
Depreciation	735	270	22,440	16,961	40,406
Derecognize depreciation Transfer to Latitude *	(30,371)	-	(887,825)	-	(918,196)
Balance at September 30, 2023	\$ -	\$ 24,719	\$ -	\$ 38,870	\$ 63,589
<b>Net book value at September 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,409</b>	<b>\$ 37,409</b>

	Furniture & Equipment	Computer Equipment	Field Equipment	Vehicles	Total
<b>Cost</b>					
Balance at September 30, 2023	-	\$ 24,719	-	\$ 76,279	\$ 100,998
Additions/Disposals	-	-	-	-	-
Balance at December 31, 2023	-	\$ 24,719	-	\$ 76,279	\$ 100,998
<b>Accumulated depreciation</b>					
Balance at September 30, 2023	\$ -	\$ 24,719	\$ -	\$ 38,870	\$ 63,589
Depreciation	-	-	-	4,472	4,472
Balance at December 31, 2023	\$ -	\$ 24,719	\$ -	\$ 43,342	\$ 68,060
<b>Net book value at December 31, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,937</b>	<b>\$ 32,937</b>

\* During the year ended September 30, 2023, the Company closed the Transaction with Latitude and as a result transferred the above assets (Note 3).

### 5. Exploration and evaluation assets

	Angilak	Pedra Branca	Total
<b>September 30, 2022, 2023 and December 31, 2023</b>	<b>\$ -</b>	<b>\$ 8,918,450</b>	<b>\$ 8,918,450</b>

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

### a) Exploration expenditures

	Angilak	Baffin Gold	Pedra Branca	Hatchet Lake	Total
Accretion	\$ 13,745	\$ -	\$ -	\$ -	\$ 13,745
Assays	-	-	42,216	-	42,216
Land administration	-	217,917	14,886	-	232,803
Air support and transportation	303	-	-	-	303
Drilling	(3,940)	-	-	-	(3,940)
Field and general operations	205,033	-	88,471	-	293,504
Field contractors and consultants	59,103	2,972	28,527	-	90,601
Laboratory costs	27,116	-	65,303	-	92,418
Salaries and wages	67,500	-	149,211	-	216,711
Travel and accommodation	15,876	-	20,408	-	36,284
<b>December 31, 2022</b>	<b>\$ 384,735</b>	<b>\$ 220,889</b>	<b>\$ 409,022</b>	<b>\$ -</b>	<b>\$ 1,014,646</b>

	Angilak	Baffin Gold	Pedra Branca	Hatchet Lake	Total
Accretion	\$ -	\$ -	\$ -	\$ -	\$ -
Assays	-	-	45,944	-	45,944
Land administration	-	-	5,982	-	5,982
Air support and transportation	-	-	-	-	-
Drilling	-	-	-	-	-
Field and general operations	-	3,864	108,087	-	111,951
Field contractors and consultants	14,290	1,791	111,049	-	127,131
Laboratory costs	240	-	28,302	-	28,542
Salaries and wages	-	-	178,519	-	178,519
Travel and accommodation	-	-	25,413	-	25,413
<b>December 31, 2023</b>	<b>\$ 14,530</b>	<b>\$ 5,655</b>	<b>\$ 503,297</b>	<b>\$ -</b>	<b>\$ 523,482</b>

### b) General

ValOre has the Pedra Branca Project in Brazil, the Angilak, Baffin Gold Property in Nunavut Territory, Canada, and the Hatchet Lake Property in Saskatchewan, Canada.

#### ***Pedra Branca, Ceara State, Brazil***

During the year ended September 30, 2019, the Company signed a binding letter of intent to acquire the Pedra Branca Project in north-eastern Brazil from Jangada Mines PLC ("Jangada"), and paid exclusivity payments of \$250,000 as per the letter of intent.

On August 14, 2019, the Company acquired the Pedra Branca Project pursuant to a share purchase agreement among Jangada, ValOre and PBBM Holdings Ltd., a wholly owned British Columbia incorporated subsidiary of ValOre, ValOre acquired Pedra Branca from Jangada. Pedra Branca holds the interest in the Pedra Branca Project.

ValOre acquired a 100% interest in the Company 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,

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

---

- subject to any adjustment as a result of certain specified liabilities; The 3,000,000 shares were valued at \$705,000 and recorded as obligation to issue shares, 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, 2022, the Company fulfilled 100% of its commitment with Jangada.

### ***Angilak, Nunavut***

The Angilak Property was acquired from Kaminak, formerly a related party with common directors and officers, through the reorganization transaction. The Angilak Property is comprised of a central Inuit Owned Land parcel surrounded by adjacent and contiguous mineral claims on Federal Crown lands in Nunavut.

Kaminak originally signed an Exploration Agreement (“EA”) with Nunavut Tunngavik Inc. (“NTI”) whereby Kaminak was granted a 100% interest in the minerals within privately owned Inuit Owned Lands.

In order to keep the Inuit Owned Lands in good standing, ValOre has or will complete the following:

- ValOre issued 100,000 common shares from treasury to NTI in four tranches of 25,000 common shares each. Upon completion of a feasibility study on any portion of the property, NTI has the option of taking either a 25% participating interest or a 7.5% net profits royalty in the specific area subject to the feasibility study.
- Upon completion of a National Instrument 43-101 compliant report that outlines a measured resource of at least 12 million pounds of uranium, ValOre will pay NTI a cash sum of \$1,000,000.

The Inuit Owned Lands are subject to an underlying 12% net profits royalty payable on all minerals to NTI. During periods of positive operating revenue, gross uranium revenue shall be calculated as 130% of the value of the product. Starting December 31, 2008, ValOre is to pay annual advance royalty payments to NTI in the sum of \$50,000 annually (2008 – 2014 paid). NTI has allowed the Company to defer the annual advance royalty payments due on December 31, 2015, 2016, and 2018 to December 31, 2019, 2020 and 2021, respectively. The \$50,000 payment originally due in December 2015 was paid during the year ended September 30, 2020.

The \$50,000 payment originally due in December 2016 was paid in December 2020. The \$50,000 payment originally due in December 2018 and was paid in December 2021.

In January 2017, the Company received \$700,000 from Sandstorm Gold Ltd. (“Sandstorm”) as part of a \$1,000,000 royalty package in return for ValOre granting to Sandstorm a 1% net smelter returns royalty (“NSR”) payable on all mineral products produced from the property. The \$700,000 payment received was recorded against the carrying value of the property.

### ***Transaction with Latitude Uranium Inc.***

On March 13, 2023, ValOre Metals Corp. (“ValOre”) entered into an arrangement agreement (the “Arrangement Agreement”) with Latitude Uranium Inc. (“Latitude”) whereby ValOre agreed to sell to Latitude (the “Transaction”) a 100% interest in ValOre’s Angilak uranium project in Nunavut Territory (the “Angilak Property”) for consideration comprised of (i) \$3,000,000 in cash, and (ii) 100,000,000 common shares of Latitude. The Transaction was completed via plan of arrangement under the provisions of the Business Corporations Act (British Columbia).

On March 13, 2023, ValOre entered into an earn-in agreement (the “Earn-in Agreement”) with Latitude whereby ValOre granted Latitude an exclusive option to earn a 10% interest in the Angilak Property in exchange for

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

---

Latitude funding the sum of \$3,500,000 in expenditures on the Angilak Property. During the year ended September 30, 2023, Latitude advanced \$2,500,000 to the Company. All of the funds were incurred on the Angilak project.

Contemporaneous with the consummation of the Transaction, ValOre will assign the Earn-in Agreement to Latitude pursuant to an assignment and assumption agreement.

Effective June 19, 2023, the sale of Angilak Property in Nunavut Territory, Canada, to Latitude Uranium Inc. has closed and the Angilak project was transferred.

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

In May 2017, the Company acquired mineral tenures for a land package on central Baffin Island. This land package consolidates several types of mineral tenures into a single property called the "Baffin Gold Property".

The Baffin Gold Property consists of:

- 100% interest in an Inuit Owned Lands ("IOL") parcel acquired through a Mineral Exploration Agreement ("MEA") ValOre signed directly with NTI;
- 100% interest in several prospecting permits ValOre acquired through staking;
- Option Agreement with Commander Resources Ltd. ("Commander") for 100% interest in certain mineral claims and IOL parcels through an MEA Commander signed with NTI.

Under terms of both the ValOre and Commander MEA's with NTI, NTI will receive:

- Annual fees and exploration work commitments;
- \$1 million and \$5.5 million cash payments upon demonstrating NI 43-101 compliant Measured Resources of 1 million and 5 million ounces gold respectively;
- \$3 million and \$5 million cash payments with the commencement of a Feasibility Study and at Commercial Production respectively;
- \$50,000 annual advanced royalty payments after both a Measured Resource of 1 million ounces gold and a positive Feasibility Study is attained; and
- At Commercial Production, an underlying 12% net profits royalty payable on exploration areas (deductions not to exceed 70% of gross revenues)

Upon execution of, and pursuant to the terms of the Baffin Gold Property Option Agreement with Commander dated May 2017:

- Commander will receive a cash payment of \$10,000 (paid);
- Commander will receive an aggregate of 50,000 ValOre shares within 12 months (issued);
- ValOre will fulfill Commanders obligations to NTI for Year 1; (fulfilled)
- Commander will receive 50,000 ValOre shares at a Bankable Feasibility Study;
- Commander will receive a cash payment up to \$6 million upon commencement of Commercial Production;
- Commander will retain a 0.25% to 0.5% NSR royalty on Commander's Baffin Gold Property optioned lands;
- As part of a data purchase agreement, ValOre will grant Commander a 0.25% NSR royalty on certain of ValOre's Baffin mineral tenures; and
- Terms of the Baffin Gold Property Option Agreement may be adjusted up until the date of any first royalty payment to reflect the possible impact of any past commercial agreements or interests.

On March 27, 2018, the Company received a \$600,000 payment from Sandstorm in return for ValOre granting to Sandstorm up to a 1.75% NSR royalty payable on all future mineral production from the Property. At any time up and until 36 months after signing the agreement, ValOre may reduce the Royalty to a 1.0% NSR by making a \$1.0 million payment to Sandstorm.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

During the three months ended December 31, 2023, an annual fee amount of \$Nil (2022 - \$217,917) was paid to NTI.

During the period ended December 31, 2023, due to market conditions no exploration work has been performed in the past several years on the Baffin Gold Project and as a result Valore has opted to discontinue pursuit of this Project. The Company has terminated these agreements and the claims lapsed.

### **Hatchet Lake, Saskatchewan**

On February 10, 2015, ValOre acquired 100% of the Hatchet Lake Uranium Property (the "Hatchet Lake Property") from Rio Tinto Exploration Canada Inc. and Rio Tinto Canada Uranium Corporation ("Rio Tinto") on the following terms:

- ValOre made a cash payment upon execution of the agreement of \$220,000, subject to all claims being in good standing as of the closing date;
- Rio Tinto transferred a 100% interest in the Hatchet Lake Property to ValOre;
- ValOre granted Rio Tinto a 2% NSR royalty on the Hatchet Lake Property, with ValOre holding a buy-down right of 0.5% for \$750,000.

In January 2017, the Company received \$250,000 from Sandstorm in return for ValOre transferring and assigning to Sandstorm the Company's 0.5% buyback right. Upon Sandstorm's exercise of this royalty buyback right, ValOre has agreed to grant to Sandstorm a 0.5% NSR royalty payable on all mineral products produced from the Hatchet Lake property. The \$250,000 payment received was recorded against the carrying value of the property.

During the year ended September 30, 2022, ValOre entered into a definitive property option agreement with Azincourt Energy Corp. ("Azincourt"), 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	received	\$250,000	received	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

Azincourt has the option to extend any of the above dates by an additional 6 months in exchange for additional consideration shares with a value of \$100,000.

\* 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. The shares will be subject to a four-month-and-one-day statutory hold period.

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 (\$500,000), and incur the final expenditures (\$2,000,000), Azincourt will earn a fifty percent interest in the Project.

During the year ended September 30, 2022, the Company received \$100,000 cash and 2,837,684 shares of Azincourt Energy Corp. ("Azincourt") value at \$250,000 at issuance date.

During the year ended September 30, 2023, the definitive property option agreement with Azincourt was terminated.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

### 6. Decommissioning liability

The changes in the rehabilitation provision during the three months ended December 31, 2023 and the year ended September 30, 2023 were as follows:

	December 31, 2023	September 30, 2023
Balance, beginning of period	\$ -	\$ 1,450,680
Accretion	-	27,621
Change in estimate	-	-
Transferred to Latitude	-	(1,478,301)
Balance, end of period	\$ -	\$ -

During the year ended September 30, 2023, the Company recorded \$27,621 in accretion and \$Nil in estimate changes to adjust the reclamation obligation which was included in Evaluation and Exploration Expenditures.

During the year ended September 30, 2023, the Company closed the Transaction with Latitude and as a result transferred the above liability (Note 3).

### 7. Accounts payable

During the three months ended December 31, 2023, the Company has a total payable and accrued liability of \$713,578 (September 30, 2023 - \$1,075,092).

	December 31, 2023	September 30, 2023
Accounts payable	\$ 87,783	\$ 487,592
Accrued liabilities	625,795	587,500
Other payable	-	-
Ending balance	\$ 713,578	\$ 1,075,092

### 8. Loan payable

During the year ended September 30, 2023, the CEO of the Company loaned \$500,000 to the Company to cover certain working capital requirements. Another related party loaned \$18,500 to the Company to cover certain working capital requirements. The loans have no specified interest rate and no specific terms of repayment.

During the three months ended December 31, 2023, the CFO of the Company loaned \$50,000 to the Company to cover certain working capital requirements. The loan has no specified interest rate and no specific terms of repayment.

	December 31, 2023	September 30, 2023
Opening balance	\$ -	\$ 600,000
Additions	50,000	518,500
Interest expense	-	-
Stand-by fee (finance expense)	-	-
Repayment	-	(1,118,500)
Ending balance	\$ 50,000	\$ -

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

### 9. Share Capital

#### a) Authorized

As at December 31, 2023, there were an unlimited number of common voting shares without par value authorized.

#### Three months ended December 31, 2023

During the three months ended December 31, 2023 the Company received approval from the Exchange with respect to the repricing of certain warrants and stock options previously granted. Details of the repricing as follows:

- a. 3,720,000 warrants with an original exercise price of \$0.60 expiring August 30, 2024;
- b. 7,295,00 warrants with an original exercise price of \$0.30 expiring April 10, 2025;
- c. 1,887,500 warrants with an original exercise price of \$0.30 expiring April 21, 2025;
- d. 3,525,000 stock options with an original exercise price of \$0.25 expiring September 6, 2024; and
- e. 6,600,000 stock options with an original exercise price of \$0.45 expiring December 9, 2024.

The exercise price of these options and warrants were repriced to \$0.10. No modifications were made to the expiry dates.

#### Three months ended December 31, 2022

During the three months ended December 31, 2022, there was no capital activity.

#### c) Warrants

The changes in warrants issued are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding Warrants, September 30, 2022	25,021,233	\$0.55
Issued	9,227,500	\$0.30
Expired	(11,092,599)	\$0.45
Outstanding Warrants, September 30, 2023	23,156,134	\$0.50
Expired	(10,199,034)	\$0.65
Outstanding Warrants, December 31, 2023	12,957,100	\$0.39

At December 31, 2023, warrants enabling the holders to acquire common shares as follows:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life in Years
August 30, 2024	\$0.60	3,729,600	0.67
April 10, 2025	\$0.30	7,295,000	1.28
April 21, 2025	\$0.30	1,887,500	1.31
April 21, 2025	\$0.30	45,000	1.31
Weighted average of exercise price and remaining contractual life	\$0.39	12,957,100	1.11

The fair value of the finders' warrants issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

	December 31, 2023	September 30, 2023
Risk-free interest rate	n/a	3.73%
Expected dividend yield	n/a	0.00
Share price	n/a	\$0.20
Expected stock price volatility	n/a	80.10%
Average expected warrant life	n/a	2 years
Fair value of warrants granted	n/a	\$0.07

### d) Stock Options

Pursuant to ValOre's stock option plan, the board of directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the board of directors and expire no later than five years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange and the minimum exercise price per common share must be at least \$0.10.

	Number of Options	Weighted Average Exercise Price
Outstanding options, September 30, 2022	11,700,000	\$0.37
Expired	(1,575,000)	\$0.30
Outstanding options, September 30, 2023 and December 31, 2023	10,125,000	\$0.38

In November 2023, the Company amended the exercise price of 10,125,000 stock options priced between \$0.25 - \$0.45. The fair value of the repriced options was determined using the Black-Scholes pricing model with an average risk free rate of 4.43%, expected stock price volatility of 83.84% and average expected life in years between 0.79 – 1.05. An incremental fair value of \$99,354 was recognized as share-based compensation expense in the statement of loss and comprehensive loss.

At December 31, 2023, the following stock options were outstanding:

Expiry Date	Weighted Average Exercise Price	Issued Number of Options	Outstanding and Exercisable Number of Options	Weighted Average Remaining Contractual Life in Years
September 6, 2024	\$0.25	3,525,000	3,525,000	0.68
December 9, 2024	\$0.45	6,600,000	6,600,000	0.94
Weighted average of exercise price and remaining contractual life	\$0.38	10,125,000	10,125,000	0.85

At December 31, 2023, the Company recognized \$Nil (2022 – \$Nil) in share-based compensation expense for the fair value of stock options granted and vested.

The risk-free interest rate is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected volatility is based on the Company's historical prices. The expected average option life is the average expected period to exercise, based on the historical activity patterns for options.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

### 10. Related Party Transactions

#### **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 three months ended December 31, 2023 was \$101,700 (2022 - \$101,700) and was comprised of the following:

		Three months ended December 31, 2023		Three months ended December 31, 2022
Management and consulting fees	\$	52,500	\$	52,500
Directors' fees (included in Management and consulting fees in the Statements of Loss and Comprehensive Loss)		49,200		49,200
<b>Total remuneration</b>	<b>\$</b>	<b>101,700</b>	<b>\$</b>	<b>101,700</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 consolidated financial statements are as follows:

#### **Other related party transactions**

During the three months ended December 31, 2023, ValOre incurred a total of \$15,000 (2022 - \$15,000) in consulting fees and \$5,455 (2022 - \$5,455) in rent from a company owned by a close family member of the CFO.

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

As at December 31, 2023, \$48,750 (September 30, 2023 - \$Nil) was owed to officers of the Company for management and director fees and \$11,644 was owed to officers of the Company for expenses reimbursement. These amounts are 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 three months ended December 31, 2023, the Company owed \$50,000 in loan payable (September 30, 2023 - \$Nil) to the related entity (Note 7).

### 11. Financial Instruments

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

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

---

ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

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

### **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. Management believes that the credit risk concentration with respect to cash, is remote as they relate to deposits with major financial institutions. The maximum credit risk as at December 31, 2023 was \$70,473 (September 30, 2023 - \$1,209,291).

### **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 December 31, 2023, ValOre had a cash balance of \$70,473 (September 30, 2023 - \$1,209,291) to settle current liabilities of \$763,578 (September 30, 2023 - \$1,075,092).

### **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 December 31, 2023, 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, 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 \$2,301 (September 30, 2023 - \$15,453).

#### *(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.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2023 and 2022  
(Expressed in Canadian Dollars)

---

### 12. Capital Management

ValOre's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity.

ValOre manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash.

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the three ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

### 13. Segment Information

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. All of the Company's equipment and exploration and evaluation assets are located in Canada and Brazil. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis.

	December 31, 2023	September 30, 2023
Equipment		
Canada	\$ -	\$ -
Brazil	32,937	37,409
	<u>32,937</u>	<u>37,409</u>
Exploration and evaluation assets		
Canada	-	-
Brazil	8,918,450	8,918,450
	<u>8,918,450</u>	<u>8,918,459</u>
	<u>\$ 8,951,387</u>	<u>\$ 8,955,859</u>

### 14. Subsequent event

Subsequent the three months ended December 31, 2023; the following events took place:

- The CEO of the Company loaned \$225,000 to the Company. The loan has no specified interest rate and no specific terms of repayment.
- The CFO of the Company loaned an additional \$10,000 to the Company. The loan has no specified interest rate and no specific terms of repayment.