



**Condensed Interim Consolidated Financial Statements**

**For the Six Months Ended March 31, 2022 and 2021**

(Unaudited - Expressed in Canadian Dollars)

### **Notice of Non-review of Condensed Interim 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 six months ended March 31, 2022 have not been reviewed by the Company's auditors.

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note(s)	March 31, 2022	September 30, 2021
<b>ASSETS</b>			
Current assets:			
Cash		\$ 9,374,029	\$ 2,516,919
Marketable securities	3	227,015	-
GST recoverable		115,928	18,165
Prepaid expenses		480,236	67,333
Total current assets		10,197,208	2,602,417
Non-current assets:			
Equipment	4	140,132	163,589
Exploration and evaluation assets	5	9,867,889	9,867,889
Total assets		\$ 20,205,229	\$ 12,633,895
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	9	\$ 1,195,225	\$ 316,859
Liability for Flow-Through Premium	10	455,841	-
		1,651,066	316,859
Non-current liabilities:			
Decommissioning liability	6	1,263,871	1,254,945
		2,914,937	1,571,804
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	93,060,241	82,992,926
Obligation to issue shares	8	117,500	235,000
Contributed surplus	8	14,548,047	13,329,901
Accumulated other comprehensive loss	3	(73,155)	(50,170)
Deficit		(90,362,341)	(85,445,566)
Total shareholders' equity		17,290,292	11,062,091
Total liabilities and shareholders' equity		\$ 20,205,229	\$ 12,633,895

Nature of Operations and Going Concern (Note 1)

Subsequent events (Note 14)

APPROVED ON May 27, 2022 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

(Unaudited - Expressed in Canadian Dollars)

		Three months ended March 31,		Six months ended March 31,	
	Note	2022	2021	2022	2021
<b>Expenses</b>					
Depreciation	5	\$ 11,861	\$ 7,928	\$ 23,457	\$ 15,856
Bank charges and interest	8	2,233	25,780	6,156	66,184
Exploration expenditures	6	2,297,290	282,696	3,655,518	1,223,178
Investor relations		76,368	53,854	187,910	93,892
Listing and filing fees		26,821	24,676	87,406	31,819
Management and consulting fees	11	132,951	158,820	285,489	327,521
Office and sundry		47,500	9,597	81,230	26,183
Professional fees		75,755	56,301	140,745	97,585
Share-based compensation		702,426	-	897,127	-
Travel and conference		38,666	16,541	48,708	26,105
<b>Loss before the undernoted</b>		<b>(3,411,871)</b>	<b>(636,193)</b>	<b>(5,413,746)</b>	<b>(1,908,323)</b>
<b>Other income (expenses)</b>					
Finance expense	8	-	(10,175)	-	(24,456)
Interest income		23,745	4,673	40,427	5,097
Other income	5	-	-	350,000	-
Amortization of flow-through premium liability		86,524	-	94,159	-
Foreign exchange		15,658	(13,115)	12,385	(20,361)
<b>Net income (loss) for the period</b>		<b>(3,285,944)</b>	<b>(654,810)</b>	<b>(4,916,775)</b>	<b>(1,948,043)</b>
Change in fair value of marketable securities		28,377	-	(22,985)	(2,252)
<b>Total comprehensive loss for the period</b>		<b>\$ (3,257,567)</b>	<b>\$ (654,810)</b>	<b>\$(4,939,760)</b>	<b>\$(1,950,295)</b>
<b>Basic and diluted loss per common share</b>		<b>\$(0.02)</b>	<b>\$(0.01)</b>	<b>\$(0.04)</b>	<b>\$(0.02)</b>
<b>Weighted average number of common shares outstanding</b>		<b>141,068,579</b>	<b>104,740,889</b>	<b>135,996,648</b>	<b>97,773,864</b>

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**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flow

(Unaudited - Expressed in Canadian Dollars)

	March 31,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net loss for the year	\$ (4,916,775)	\$ (1,948,043)
<i>Items not involving cash:</i>		
Depreciation	23,457	15,856
Accretion	8,926	4,263
Other income	(250,000)	-
Interest expense on loan	-	63,868
Finance expense on loan	-	24,456
Share-based compensation	897,128	-
Interest income	(40,427)	(5,097)
Amortization of FT premium liability	(94,159)	-
Long term liability	-	(50,000)
<i>Changes in non-cash working capital:</i>		
Other receivables	-	(12,726)
GST recoverable	(97,763)	(5,752)
Prepaid expenses	(412,903)	(74,392)
Accounts payable and accrued liabilities	878,366	(327,991)
	(4,004,150)	(2,315,558)
Interest received	40,427	5,097
<b>Net cash used in operating activities</b>	<b>(3,963,723)</b>	<b>(2,310,461)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of fixed asset		(39,238)
Proceeds from sale of marketable securities	-	81,643
<b>Net cash provided by (used in) investing activities</b>	<b>-</b>	<b>42,405</b>
<b>Cash flows from financing activities:</b>		
Issuance of shares for warrants exercised	399,750	146,564
Issuance of shares for options exercised	209,850	-
Issuance of shares for private placement	11,000,000	8,327,500
Share issuance costs - cash	(788,767)	(314,457)
Proceeds from related party loan	-	-
Loan payable	-	945,278
Repayment of loan	-	(2,339,456)
<b>Net cash provided by financing activities</b>	<b>10,820,833</b>	<b>6,765,429</b>
Net increase (decrease) in cash	6,857,110	4,497,373
Cash, beginning of the period	2,516,919	534,282
Cash, end of the period	\$ 9,374,029	\$ 5,031,655

During the six months ended March 31, 2022, the Company paid \$ Nil in taxes (2021 - \$ Nil), \$nil (2021 - \$63,868) in interest, and \$nil (2021 - \$24,456) in finance expense on loan.

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

Shares issued for Pedra Branca acquisition	\$ 117,500	\$ 117,500
Change in fair value of marketable securities	\$ (22,985)	\$ (2,252)
Fair value of warrants exercised	\$ -	\$ 56,180
Fair value of options exercised	\$ 112,405	\$ -
Fair value of warrants issued on private placement	\$ 183,333	-
Fair value of finders' warrants	\$ 250,090	\$ 153,125
Flow through premium liability	\$ 550,000	\$ -

- 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 Shareholders Equity

(Unaudited - Expressed in Canadian Dollars)

	Share Capital (Note 8)		Obligation to issue shares	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Number of shares	Amount					
<b>Balance, September 30, 2020</b>	<b>90,950,677</b>	<b>\$74,184,894</b>	<b>\$ 470,000</b>	<b>\$13,455,676</b>	<b>\$(79,808,834)</b>	<b>\$ (47,918)</b>	<b>\$ 8,253,818</b>
Warrants exercised	637,235	202,744	-	(56,180)	-	-	146,564
Shares issued for private placement	27,758,334	8,327,500	-	-	-	-	8,327,500
Share issuance costs – cash	-	(314,457)	-	-	-	-	(314,457)
Share issuance costs – finders warrants	-	(153,125)	-	153,125	-	-	-
Shares issued for property acquisition	500,000	117,500	(117,500)	-	-	-	-
Fair value adjustment on marketable securities	-	-	-	-	-	(2,252)	(2,252)
Loss for the period	-	-	-	-	(1,948,043)	-	(1,948,043)
<b>Balance at March 31, 2021</b>	<b>119,846,246</b>	<b>\$82,365,056</b>	<b>\$ 352,500</b>	<b>\$13,552,621</b>	<b>\$(81,76,877)</b>	<b>\$ (50,170)</b>	<b>\$ 14,463,130</b>
<b>Balance, September 30, 2021</b>	<b>121,496,746</b>	<b>\$82,992,926</b>	<b>\$ 235,000</b>	<b>\$13,329,901</b>	<b>\$(85,445,566)</b>	<b>\$ (50,170)</b>	<b>\$ 11,062,091</b>
Options exercised	699,500	322,255	-	(112,405)	-	-	209,850
Warrants exercised	888,333	399,750	-	-	-	-	399,750
Shares issue for private placement	18,333,333	10,816,667	-	183,333	-	-	11,000,000
Flow-Through Liability	-	(550,000)	-	-	-	-	(550,000)
Share issuance costs - cash	-	(788,767)	-	-	-	-	(788,767)
Share issuance costs - finders warrants	-	(250,090)	-	250,090	-	-	-
Share based compensation	-	-	-	897,128	-	-	897,128
Share issued for property acquisition	500,000	117,500	(117,500)	-	-	-	-
Fair value adjustment on marketable securities	-	-	-	-	-	(22,985)	(22,985)
Loss for the period	-	-	-	-	(4,916,775)	-	(4,916,775)
<b>Balance at March 31, 2022</b>	<b>141,917,912</b>	<b>\$93,060,241</b>	<b>\$ 117,500</b>	<b>\$14,548,047</b>	<b>\$(90,362,341)</b>	<b>\$ (73,155)</b>	<b>\$ 17,290,292</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 Six Months Ended March 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

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## 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, 2021, the Company has not achieved profitable operations and has accumulated losses since inception.

As at March 31, 2022, the Company had current assets of \$10,197,208 to settle current liabilities of \$1,651,066, leaving the company with a working capital of \$8,546,142. 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.

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.

## 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 March 31, 2022 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, 2021.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Six Months Ended March 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

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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, 2022.

The condensed interim consolidated financial statements for the six months ended March 31, 2022 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2022.

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 condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the six months ended March 31, 2022 are consistent with those applied and disclosed in note 2 to the Company's audited consolidated financial statements for the year ended September 30, 2021.

### c) 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.

## 3. Marketable securities

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	Fair value Sep 30, 2020	Additions Sep 30, 2021	Disposals Sept 30, 2021	Fair value adjustment Sept 30, 2021	Fair value Sept 30, 2021
Common shares	\$ 83,895	\$ -	\$ (81,643)	\$ (2,252)	\$ -

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## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Six Months Ended March 31, 2022 and 2021  
(Unaudited - Expressed in Canadian Dollars)

	Fair value Sep 30, 2021	Additions Mar 31, 2022	Disposals Mar 31, 2022	Fair value adjustment Mar 31, 2022	Fair value Mar 31, 2022
Common shares	\$ -	\$ 250,000	\$ -	\$ (22,985)	\$ 227,015

During the year ended September 30, 2017, Coast Copper Corp. or "Coast Copper" (formerly Roughrider Exploration Limited) settled a payment due to earn its 50% interest in the Genesis property in the form of shares. The Company received payment of 2,500,000 shares of Coast Copper on August 31, 2017.

Management has recorded these investments as FVTOCI. The Company will revalue the investments at each reporting period. Any changes in the fair value of the investments will be recorded at FVTOCI.

During the year ended September 30, 2021, the Company sold investments for proceeds of \$81,643 (2020 - \$213,389). This resulted in a loss of \$2,252 (2020 - gain of \$220,008) which was recognized in accumulated other comprehensive income (loss).

During the six months ended March 31, 2021, the Company received 2,837,684 shares of Azincourt Energy Corp. ("Azincourt") value at \$250,000 at issuance date (Note 5). As at March 31, 2021, the Company recorded a loss of \$22,985 which was recognized in accumulated other comprehensive income. Subsequent to the period ended March 31, 2022, Azincourt consolidated its common shares on the bases if one (1) new-post-consolidation common share for every two and a half (2.5) pre-consolidation common shares effective as of April 21, 2022.

#### 4. Equipment

	Furniture & Equipment	Computer Equipment	Field Equipment	Vehicles	Total
<b>Cost</b>					
Balance at September 30, 2020	\$ 31,595	\$ 24,719	\$ 925,225	\$ -	\$ 981,539
Additions	-	-	-	76,279	76,279
Balance at September 30, 2021	\$ 31,595	\$ 24,719	\$ 925,225	\$ 76,279	\$ 1,057,818
<b>Accumulated depreciation</b>					
Balance at September 30, 2020	\$ 27,678	\$ 22,825	\$ 805,545	\$ -	\$ 856,048
Depreciation	980	812	29,918	6,471	38,181
Balance at September 30, 2021	\$ 28,658	\$ 23,637	\$ 835,463	\$ 6,471	\$ 894,229
<b>Net book value at September 30, 2021</b>	<b>\$ 2,937</b>	<b>\$ 1,082</b>	<b>\$ 89,762</b>	<b>\$ 69,808</b>	<b>\$ 163,589</b>
<b>Cost</b>					
Balance at September 30, 2021	\$ 31,595	\$ 24,719	\$ 925,225	\$ 76,279	\$ 1,057,818
Additions	-	-	-	-	-
Balance at December 31, 2021	\$ 31,595	\$ 24,719	\$ 925,225	\$ 76,279	\$ 1,057,818
<b>Accumulated depreciation</b>					
Balance at September 30, 2021	\$ 28,658	\$ 23,637	\$ 835,463	\$ 6,471	\$ 894,229
Depreciation	490	406	14,960	7,601	23,457
Balance at March 31, 2022	\$ 29,147	\$ 24,043	\$ 850,423	\$ 14,072	\$ 917,686
<b>Net book value at March 31, 2022</b>	<b>\$ 2,448</b>	<b>\$ 879</b>	<b>\$ 74,802</b>	<b>\$ 62,206</b>	<b>\$ 140,132</b>

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Six Months Ended March 31, 2022 and 2021  
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### 5. Exploration and evaluation assets

	Angilak		Pedra Branca		Total
<b>September 30, 2020, 2021 and March 31, 2022</b>	\$	<b>949,439</b>	\$	<b>8,918,450</b>	\$ <b>9,867,889</b>

#### a) Exploration expenditures

	Angilak		Baffin Gold		Pedra Branca		Total
Accretion (Note 6)	\$	4,263	\$	-	\$	-	\$ 4,263
Assays		-		-		186,080	186,080
Land administration		79,548		145,278		6,814	231,640
Drilling		-		-		340,018	340,018
Field and general operations		12,906		275		77,145	90,327
Field contractors and consultants		50,537		-		17,945	68,482
Laboratory costs		-		-		5,561	5,561
Salaries and wages		1,167		-		276,030	277,537
Travel and accommodation		-		-		19,270	19,270
<b>March 31, 2021</b>	\$	<b>148,421</b>	\$	<b>145,553</b>	\$	<b>929,204</b>	\$ <b>1,223,178</b>

	Angilak		Baffin Gold		Pedra Branca		Total
Accretion (Note 6)	\$	8,926	\$	-	\$	-	\$ 8,926
Assays		-		-		191,279	191,279
Claim maintenance		31,995		-		-	31,995
Community Consultation		1,700		-		-	1,700
Land administration		79,544		217,917		47,045	344,506
Air Support and Transportation		1,152,673		-		-	1,152,673
Drilling		-		-		448,285	448,285
Field and general operations		657,534		976		269,233	927,743
Field contractors and consultants		-		-		6,668	6,668
Laboratory costs		8,685		-		5,973	14,658
Salaries and wages		136,000		-		310,775	446,775
Travel and accommodation		63,794		-		16,517	80,311
<b>March 31, 2022</b>	\$	<b>2,140,851</b>	\$	<b>218,893</b>	\$	<b>1,295,775</b>	\$ <b>3,655,519</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:

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(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Six Months Ended March 31, 2022 and 2021  
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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; 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

\* As at March 31, 2022, the Company issued 2,500,000 shares valued at \$587,500 to Jangada pursuant to the purchase agreement.

The remaining 500,000 common shares are scheduled to be issued as follows:

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

### **Angilak, Nunavut**

The Angilak Property was acquired from Kaminak, formerly a related party with common directors and officers, through the reorganization transaction (Note 1). 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. This parcel is located directly adjacent to Kaminak’s “Angilak IOCG Project” which is comprised of staked claims located on Federal Crown land.

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 (issuance dates were July 4, 2008, June 23, 2009, June 15, 2010, and June 28, 2011). 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”)

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Six Months Ended March 31, 2022 and 2021  
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payable on all mineral products produced from the property. The \$700,000 payment received was recorded against the carrying value of the property.

### ***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.

During the period ended March 31, 2022, an annual fee amount of \$217,917 (2021 - \$145,278) was paid to NTI.

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### **Hatchet Lake, Saskatchewan**

On February 10, 2015, ValOre acquired 100% of the Hatchet Lake Uranium Property, consisting of six mineral concessions totaling 13,711 hectares (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 period ended March 31, 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

\* 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 (\$250,000), and incur the final expenditures (\$2,000,000), the Optionee will hold a fifty percent interest in the Project.

\*\* During the six months ended March 31, 2022, the Company received \$100,000 cash and 2,837,684 shares of Azincourt Energy Corp. ("Azincourt") value at \$250,000 at issuance date. ValOre recorded the amounts received as other income in the Statement of Loss and Comprehensive Loss.

## **6. Decommissioning liability**

The changes in the rehabilitation provision during the six months ended March 31, 2022 and the year ended September 30, 2021 were as follows:

	March 31, 2022	September 30, 2021
Balance, beginning of year	\$ 1,254,945	\$ 416,215
Accretion	8,926	8,387
Change in estimate	-	80,343
Balance, end of year	\$ 1,263,871	\$ 1,254,945

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During the year ended September 30, 2021, the Company changed the estimate to reflect the current market rates. The revised calculation estimates an undiscounted reclamation obligation of \$1,309,169 expected to be incurred in 3 years. An inflation rate of 4.4% and a risk-free discount rate of 1.42% were recorded \$8,387 (for accretion to adjust the reclamation obligation).

During the six months ended March 31, 2022, the Company recorded \$8,926 for accretion to adjust the reclamation obligation which was included in Evaluation and Exploration Expenditures (Note 5 a).

### 7. Loan payable

During the year ended September 30, 2020, ValOre entered into an unsecured revolving credit facility, as amended, with the CEO of the Company, pursuant to which ValOre may borrow funds on a revolving basis. ValOre will pay to the CEO a standby fee (2% of the committed facility) and interest of 10% per annum on amounts drawn down under the facility. The maturity date of the revolving credit facility is the earlier of (i) the day after the receipt by the Borrower of the proceeds from the financing and (ii) March 31, 2021.

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.

	March 31, 2022	September 30, 2021
Opening balance	\$ -	\$ 1,305,854
Additions	-	945,278
Interest expense	-	63,868
Stand-by fee (finance expense)	-	24,456
Repayment	-	(2,339,456)
Ending balance	\$ -	\$ -

### 8. Share Capital

#### a) Authorized

As at March 31, 2022, there were an unlimited number of common voting shares without par value authorized.

#### b) Issued

##### Six months ended March 31, 2022

During the six months ended March 31, 2022, ValOre closed a brokered private placement for gross proceeds of \$11,000,000. The Company issued 18,333,333 flow-through units of the Company at a price of \$0.60 per unit. Each 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. A premium of \$0.03 per unit was received for the flow-through shares resulting in an initial liability of \$550,000. Allocation as follows:

Gross proceeds	Common shares	Warrants	Flow-through premium liability
\$ 11,000,000	\$ 10,266,667	\$ 183,333	\$ 550,000

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In connection with the private placement, the Company paid a total of \$1,038,857 in share issuance costs, comprised of \$788,767 cash payment and a total of 1,032,368 finders warrants valued at \$250,090 at issuance date. The finders' warrants have the same terms of the Warrant Shares described above.

During the six months ended March 31, 2022, the Company issued 500,000 common shares valued at \$117,500 to Jangada pursuant to the purchase agreement (Note 5b) and was applied against obligation to issue shares.

During the six months ended March 31, 2022, 888,333 common shares were issued upon warrants exercised for gross proceeds of \$399,750.

During the six months ended March 31, 2022, 699,500 common shares were issued upon options exercised for gross proceeds of \$322,255. In connection with the issuance, a total of \$112,405 was re-allocated from contributed surplus to share capital.

### Six months ended March 31, 2021

On February 14, 2021, ValOre issued 500,000 shares valued at \$117,500 to Jangada pursuant to the purchase agreement (Note 3).

On February 17, 2021, ValOre closed a private placement in February 2021, with the issuing of 27,758,334 units at a price of \$0.30 per unit for gross proceeds of \$8,327,500. Each unit consists 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 incurred \$314,457 in share issuance costs and issued 925,098 finder warrants which were valued at \$153,125 (Note 9 c).

During the six months ended March 31, 2021, 637,235 shares were issued upon warrants exercised for gross proceeds of \$146,564.

### c) Warrants

The changes in warrants issued are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding Warrants, September 30, 2020	6,291,285	\$0.62
Issued	14,804,265	\$0.45
Expired	(4,131,000)	\$0.35
Exercised	(637,235)	\$0.23
Outstanding Warrants, September 30, 2021	16,327,315	\$0.55
Issued	10,199,035	\$0.65
Expired	(1,523,050)	\$1.50
Exercised	(888,333)	\$0.45
Outstanding Warrants, March 31, 2022	24,114,967	\$0.54

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At March 31, 2022, 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
February 17, 2023	\$0.45	13,915,932	0.88
November 17, 2023	\$0.65	10,199,035	1.63
Weighted average of exercise price and remaining contractual life	\$0.53	24,114,967	1.20

During the six months ended March 31, 2022, the Company issued 1,032,368 finders warrants and recognized \$250,090 (2021 – \$153,125) in related share issuance costs.

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:

	March 31, 2022	September 30, 2021
Risk-free interest rate	1.05%	0.25%
Expected dividend yield	0.00	0.00
Share price	\$0.57	\$0.39
Expected stock price volatility	85.61%	87.00%
Average expected warrant life	2 years	2 years
Fair value of warrants granted	\$0.24	\$0.17

### 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.

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.

	Number of Options	Weighted Average Exercise Price
Outstanding options, September 30, 2020	8,655,000	\$0.33
Exercised	(1,150,500)	\$0.25
Outstanding options, September 30, 2021	7,504,500	\$0.34
Granted	6,600,000	\$0.45
Exercised	(699,500)	\$0.30
Outstanding options, March 31, 2022	13,405,000	\$0.40



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At March 31, 2022, 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
July 6, 2022	\$1.00	705,000	705,000	0.27
August 10, 2023	\$0.30	1,675,000	1,675,000	1.36
September 6, 2024	\$0.25	4,425,000	4,425,000	2.44
December 9, 2024	\$0.45	6,600,00	6,600,00	2.70
Weighted average of exercise price and remaining contractual life	\$0.17	13,405,000	13,405,000	2.32

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

	December 31, 2021	September 30, 2021
Risk-free interest rate	1.07%	Nil
Expected dividend yield	Nil	Nil
Share price	\$0.46	Nil
Expected stock price volatility	75.85%	Nil
Average expected option life	3 years	Nil
Fair value of options granted	\$0.23	Nil

At March 31, 2022, the Company recognized \$897,128 (2021 – \$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.

## 9. 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 six months ended March 31, 2022 was \$516,035 (2021 - \$221,400) and was comprised of the following:

	Six Months ended March 31, 2022	Six Months ended March 31, 2021
Management and consulting fees	\$ 105,000	\$ 105,000
Directors' fees (included in Management and consulting fees in the Statements of Loss and Comprehensive Loss)	98,400	116,000
Share-based compensation	312,635	-
Total remuneration	\$ 516,035	\$ 221,400

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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 six months ended March 31, 2022, ValOre incurred a total of \$30,000 (2021 - \$30,000) in consulting fees and \$10,910 (2021 - \$12,068) in rent from a company owned by a close family member of the CFO.

### Due to/from related parties

As at March 31, 2022, \$10,200 (September 30, 2021 - \$nil) 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.

## 10. Flow-through premium liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

<b>Balance at September 30, 2021</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares		550,000
Settlement of flow-through share liability on incurring expenditures		(94,159)
<b>Balance at March 31, 2022</b>	<b>\$</b>	<b>455,841</b>

During November 2021, the Company completed a non-brokered private placement of 18,333,333 flow-through shares at a price of \$0.60 per share for gross proceeds of \$11,000,000. A premium of \$0.03 per unit was received for the flow-through shares resulting in an initial liability of \$550,000.

The flow-through liability is amortized to Other Income in the Statement of Loss and Comprehensive Loss, based on the percentage of the eligible expenditures incurred during the period. The Company has an obligation to spend \$9,116,819 in flow-through proceeds by December 31, 2022, by which time the outstanding flow-through share premium liability of \$455,841 will be settled when these flow-through expenditures are made.

## 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.
- 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.

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

The fair value of the Company's receivables, 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, and marketable securities, under the fair value hierarchy, are 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, marketable securities and GST recoverable. Management believes that the credit risk concentration with respect to financial instruments included in cash, GST recoverable and marketable securities, is remote as they relate to deposits and interest receivable from major financial institutions and marketable securities held with a major brokerage firm. The maximum credit risk as at March 31, 2022 was \$9,716,972 (September 30, 2021 - \$2,535,084).

### **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 March 31, 2022, ValOre had a cash balance of \$9,374,029 (September 30, 2021 - \$2,516,919) to settle current liabilities of \$1,651,066 (September 30, 2021 - \$316,859).

### **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 March 31, 2022, 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 \$2,000 (September 30, 2021 - \$3,272).

#### *(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. A 10% fluctuation in the price of the Company's marketable securities would increase/decrease comprehensive loss by \$22,702 as at March 31, 2022 (September 30, 2021 - \$nil).

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### 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 six months ended March 31, 2022. 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.

	March 31, 2022	September 30, 2021
Equipment		
Canada	\$ 77,926	\$ 93,781
Brazil	62,206	69,808
	140,132	163,589
Exploration and evaluation assets		
Canada	949,439	949,439
Brazil	8,918,450	8,918,450
	9,867,889	9,867,889
	\$ 10,008,021	\$ 10,031,478

### 14. Subsequent events

Subsequent to the six months ended March 31, 2022, the following events took place:

- Azincourt consolidated its common shares on the basis of one (1) new-post-consolidation common share for every two and a half (2.5) pre-consolidation common shares effective as of April 21, 2022. (Note 3).
- ValOre sold investments for proceeds of \$180,912 (Note 3).
- 575,000 common shares were issued upon warrants exercised for gross proceeds of \$258,750.