



**Management's Discussion and Analysis**

For the Six Months Ended March 31, 2022

Dated May 27, 2022

## NOTE TO READER

This management's discussion and analysis ("MD&A") for the six months ended March 31, 2022 was prepared by management and approved and authorized for issue on May 27, 2022 for ValOre Metals Corp. (the "Company" or "ValOre") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements but does not form part of the condensed interim consolidated financial statements of ValOre and the notes thereto for the six months ended March 31, 2022. Consequently, the MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the six months ended March 31, 2022 and the annual audited consolidated financial statements for the year ended September 30, 2021.

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

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

## FORWARD-LOOKING INFORMATION

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

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

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

## INTRODUCTION

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

## OVERVIEW

### *Appointments*

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

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

### *Share capital*

On November 17, 2021, ValOre closed a brokered private placement for gross proceeds of \$11,000,000. The Company sold 18,333,333 flow-through units of the Company to charitable purchasers (each, a "Charity FT Unit") at a price of \$0.60 per Charity FT Unit. Each Charity FT Unit consists of one common share of the Company (each, a "FT Share") and one-half of one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share of the Company (each, a "Warrant Share") at a price of \$0.65 per Warrant Share at any time on or before November 17, 2023. The FT Shares and Warrant Shares are subject to a hold period ending on March 18, 2022.

On December 9, 2021, the Company granted 6,600,000 incentive stock options to certain Directors, Officers, Employees and Consultants of the Company. The Options are exercisable at \$0.45 per share for a period of three years from the date of grant with  $\frac{1}{4}$  vesting upon grant and  $\frac{1}{4}$  vesting every 3 months thereafter.

During the six months ended March 31, 2022, 699,500 stock options were exercised for proceeds of \$209,850 and 888,333 warrants were exercised for gross proceeds of \$399,750.

During the six months ended March 31, 2022, ValOre issued 500,000 shares valued at \$117,500 to Jangada pursuant to the Pedra Branca purchase agreement.

During the six months ended March 31, 2022, 1,523,050 warrants expired unexercised.

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. (For further details, see note 3 of the condensed interim financial statements for the six months ended March 31, 2022).

- ValOre sold investments for proceeds of \$180,912.
- 575,000 common shares were issued upon warrants exercised for gross proceeds of \$258,750.

### ***Exploration highlights***

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

### **Pedra Branca PGE Project**

#### ***Drilling***

- ValOre completed an 11,120-metre ("m") drill program in 2021 (108 holes total), comprised of 1,828 m of Reverse Circulation ("RC") drilling in 38 holes, and 9,292 m of core drilling in 70 holes. Primary focus of resource expansion (Trapia 1, Trapia 2, Santo Amaro), Target Advancement (Massapê, Santo Amaro South, Cana Brava, C-04), and New Discovery (Esbarro NW, Trapia South, Trapia SW).

#### ***Mineral Resource Recalculation***

- Q2 2022 resource recalculation based on 2020/2021 drilling programs was completed in March 2022
- Pedra Branca Inferred Mineral Resource Estimate: 2,198 thousand ounces ("Koz") palladium + platinum + gold ("2PGE+Au") in 63.6 million tonnes ("Mt") grading 1.08 g/t 2PGE+Au.
- The updated Pedra Branca mineral resource estimate was completed by independent Brazilian consultancy GE21 Consultoria Mineral ("GE21"), in accordance with Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards incorporated, by reference, in NI 43-101 Standards of Disclosure for Mineral Projects, and has been reviewed internally by ValOre
- Final Report to be filed in May.

#### ***Metallurgy and Mineral Processing***

- Ten HQ-size core drill holes totaling 591 metres at the Curriu and Esbarro PGE deposit areas were completed, logged, sampled and assayed prior to planned metallurgical testwork.
- All 10 drill holes confirmed the historically reported geology and returned high-grade, shallow PGE-mineralized intercepts including:
  - 77 m at 2.95 g/t 2PGE+Au from surface, incl. 45 m at 4.76 g/t 2PGE+Au, 0.1 g/t Rh from 16 m, and 6.4 m at 16.92 g/t 2PGE+Au and 0.52 g/t Rh from 30 m in drill hole DD21ES15C
  - 49 m at 2.03 g/t 2PGE+Au from 19 m, incl. 4.6 m at 11.94 g/t 2PGE+Au, 0.25 g/t Rh from 23.68 m in Drill hole DD21CU12A
  - 77 m at 1.01 g/t 2PGE+Au from surface in drill hole DD21PBE30A
  - 47 m at 1.51 g/t 2PGE+Au from surface in drill hole DD21CU12A
- In September 2021, ValOre engaged highly experienced metallurgist, Chris Kaye, to oversee the current and future testwork campaigns, which will now be carried out at ALS Metallurgy Kamloops ("ALS"). Mr. Kaye will work with ValOre to develop and optimize a metallurgical flowsheet for Pedra Branca, to be included in a preliminary economic assessment scheduled for completion in H2, 2022.
- Four HQ-size core drill holes totaling 332 metres ("m") at the Cedro PGE deposit area were drilled, logged, sampled and assayed to support ongoing metallurgical test work:

- All 4 drill holes confirmed the historically reported geology and returned broad, consistently mineralized PGE intercepts including:
  - 53 m at 1.18 grams per tonne palladium + platinum + gold ("g/t 2PGE+Au") from surface, incl. 7.0 m at 2.64 g/t 2PGE+Au from 44 m in drill hole DD21CD24A
  - 62 m at 0.90 g/t 2PGE+Au from 58 m, incl. 31 m at 1.40 g/t 2PGE+Au from 82 m in drill hole DD21CD05A
  - 52 m at 1.03 g/t 2PGE+Au from 19 m in drill hole DD21CD89A
  - 70 m at 0.71 g/t 2PGE+Au from surface, incl. 29 m at 1.12 g/t 2PGE+Au in drill hole DD21CD42A
- Metallurgical drilling campaign concluded, totaling 922 m in 14 holes, including 6 holes at Esbarro (378 m), and 4 holes at Curiu (213 m), in addition to the 332 m in 4 holes at Cedro;
- Drill core for the remaining two PGE deposits which form part of the 2019 inferred resource, Trapia and Santo Amaro, will be collected from the 2020 and 2021 resource expansion drill programs;
- Metallurgical testwork program at ALS commenced mid-October, with a primary focus on mineralogy and conventional processing circuits for the Curiu and Esbarro deposits.
  - Recoveries of 82.9% for platinum (Pt), 71% for palladium (Pd) and 85.2% for gold (Au) were achieved by the first locked cycle flotation test on a fresh, unweathered 30-kilogram ("kg") sample composited from Curiu PGE deposit drill core;
  - This locked cycle flotation test produced a concentrate grading 78.4 grams per tonne g/t 2PGE+Au;
  - Based on the information available to date, no deleterious element thresholds were exceeded, and a detailed elemental analysis on the concentrate is underway.
- Additional metallurgical test work on-going at Base Met Lab in Kamloops, including:
  - Ferricyanide leaching, to try and improve the Pt leaching performance.
    - Results to date show a strong improvement of Pt leaching on a sample of flotation tails from the Fresh Curiu composite sample: 48h extraction into solution = Pt 72.2%, Pd 90.8%;
    - Follow-up testwork is under way on a full composite sample (not just the tails) and a sample of Weathered material from the Curiu deposit.
  - Reverse flotation testwork to try and remove MgO from the feed, which would have positive implications for Platsol (reduce acid consumption).
    - Results to date suggest the MgO is not suitable to removal via reverse flotation.

### ***Regional Exploration***

- On July 6, 2021, ValOre announced the acquisition of twelve new claims totaling 16,000 hectares at Pedra Branca the Agência Nacional de Mineração ("ANM") bid process conducted during June 2021. The claims were officially published in February 2022. Highlights include:
  - Acquisition of over 50 kilometres ("km") of underexplored, undrilled, geological trend highly prospective for PGE discovery
  - Compelling data from historic exploration work, including untested soil anomalies, high grade grab samples, and coincident favorable geophysical signatures
  - Excellent existing network of well-maintained access roads and power supply throughout the expanded land position
  - First phase of exploration in preparation, including: WorldView spectral data, ground or droneborne magnetics, regional geological mapping and prospecting
- ValOre's sequential exploration methodology was applied at multiple targets in H2, 2021, including Massapê, Santo Amaro South, Trapia South, Cana Brava, and C-04, and positive results from geological mapping, Trado auger drilling, and subsequent trenching, led to drilling discoveries and successes at all

tested targets (detailed in RC and core highlights bullets, above). This methodology is being deployed in the newly acquired ground, and zones of open / unconstrained mineralization intercepted in 2021.

- ValOre Accelerates Regional Trado® Exploration. The Trado® auger has become a cornerstone exploration tool at Pedra Branca, serving to rapidly advance the district-wide target pipeline, and leading to multiple successful drill campaigns in 2021. ValOre has completed 415 auger holes since February 2021, totaling 1344 m, testing 11 property-wide targets. In total, 633.5 m of target Ums rocks have been augered under cover, with 1326 samples submitted for assay. Auger assay highlights include:
  - 16 m grading 1.22 g/t 2PGE+Au from surface (new result from Trapia South target)
  - 12 m grading 1.73 g/t 2PGE+Au from surface (led to drilling discovery at Esbarro NW target)
  - 9.0 m grading 2.09 g/t 2PGE+Au from surface (led to drilling discovery at Esbarro NW target)
  - 10 m grading 1.64 g/t 2PGE+Au from surface (led to drilling discovery at Santo Amaro South target)
  - A second Trado® auger was purchased and started operations in February 2022
- Ipueiras target, 10 kilometres (“km”) south of the Trapia deposit area, (885,000 oz 2PGE+Au grading 0.96 g/t in 28.8 Mt) tested with 35 Trado® auger holes in 105 metres (“m”) and 4 trenches (189 m)
  - Target ultramafic rocks (“UM”) encountered in 16 Trado® holes (59m of the 105 m augered) and all 4 trenches, over geological trend of approximately 2.5 km in strike length;
  - Two of four trenches returned significant intervals of PGE mineralization, including:
    - 64 metres (“m”) grading 2.68 g/t 2PGE+Au, including 25 m grading 4.65 g/t 2PGE+Au in trench TR22IP01;
    - 38 m grading 2.14 g/t 2PGE+Au, including 15 m grading 4.45 g/t 2PGE+Au in trench TR22IP02
  - Trado® auger drilling returned PGE mineralization in assay results in 11 of 35 holes, including:
    - 8 m grading 1.13 g/t 2PGE+Au from surface, including 1 m at 5.48 g/t 2PGE+Au from surface;
    - 8 m grading 1.29 g/t 2PGE+Au from surface, including 1 m at 4.22 g/t 2PGE+Au from 7 m;
    - 7 m grading 1.37 g/t 2PGE+Au from surface;
    - 4 m grading 1.03 g/t 2PGE+Au from surface.
- Galante East target, 5 km south of Santo Amaro deposit area (153,000 oz 2PGE+Au grading 1.11 g/t in 4.3 Mt), tested with 92 Trado® auger holes (255 m)
  - 5.0 metres (“m”) grading 1.48 grams per tonne 2PGE+Au (“g/t 2PGE+Au”) from surface
  - 2.0 m grading 2.95 g/t 2PGE+Au from surface
  - 3.8 m grading 1.18 g/t 2PGE+Au from surface
  - 5.5 m grading 0.80 g/t 2PGE+Au from surface
  - 6.0 m grading 0.53 g/t 2PGE+Au from surface
- Troia target, located 5 km north of Massapê, (129,000 oz 2PGE+Au grading 1.21 g/t in 3.3 Mt). Multiple high-grade PGE assay results from outcropping chromitites and mineralized ultramafic (“UM”) samples, including:
  - 23.01 grams per tonne palladium + platinum + gold (“g/t 2PGE+Au”) – SAMPLE 103089
  - 12.00 g/t 2PGE+Au – SAMPLE 103111
  - 8.32 g/t 2PGE+Au – SAMPLE 103091
  - 8.15 g/t 2PGE+Au – SAMPLE 103093
  - 7.98 g/t 2PGE+Au – SAMPLE 103094
  - 3.35 g/t 2PGE+Au – SAMPLE 103095
  - Trado® auger drilling is on-going at Tróia, with 72 auger holes (206 m) completed to date, with UMs encountered in 16 holes (assays pending)
- Tróia Target Phase 2 Exploration Program Highlights, from May 24, 2022:

- Mineralization occurs within a 50- to 100-metre-wide zone, along a 1-kilometre-long trend with compelling geochemical and geophysical anomalies, and rock samples exceeding 23 g/t 2PGE+Au;
- The Tróia target has been tested with 72 Trado® auger holes (results received for 53), totaling 206 metres ("m") and 7 trenches, totaling 400 m;
- Target ultramafic rocks ("UM") encountered in 19 Trado® holes (62 m of the 206 m augered) and all 7 trenches, over geological trend of approximately 1 kilometre ("km") in strike length;
- Multiple PGE-mineralized Trado® auger holes, including:
  - 8.5 m grading 0.98 grams per tonne palladium + platinum + gold ("g/t 2PGE+Au") from surface, including 4.0 m grading 1.44 g/t 2PGE+Au from 4.0 m depth
  - 2.0 m grading 8.58 g/t 2PGE+Au from surface, including 1.0 m grading 15.93 g/t 2PGE+Au from surface
  - 4.0 m grading 1.55 g/t 2PGE+Au from surface
  - 3.8 m grading 1.64 g/t 2PGE+Au from surface;

Sampling and geological mapping of all 7 trenches are in progress

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

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

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

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

In March 2022, mobilization for the 2022 exploration program commenced. The proposed work plan contemplates 2 phases: Spring and Summer programs.

#### **Angilak Property Uranium Project 2022 Exploration Program Highlights:**

- Mobilization of crews, consumables, and equipment commenced March 23;
- Initial 4,000 metre ("m") Reverse Circulation ("RC") drill program commenced April 22, with a focus of expanding known zones of U<sub>3</sub>O<sub>8</sub> mineralization;
- Geophysical program of 2,400-line-kilometres ("ln-km") of ground VLF-EM and magnetics commenced April 15;
- Geochemical sampling (1,000+ samples) including Enzyme Leach ("EL") soils, rock sampling and lake sediment sampling to vector future exploration efforts;
- Baseline environmental and archaeology studies;

- Initial 4,000 m diamond drilling to commence in the summer, with a focus on resource expansion and following up positive RC drill results

## MINERAL PROPERTIES AND EXPLORATION

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

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

Material Terms of the Pedra Branca Agreement:

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

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

\* 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.

The Pedra Branca PGE Project comprises 52 exploration licenses covering a total area of 56,852 hectares (140,484 acres) in northeastern Brazil. At Pedra Branca, 7 distinct PGE+Au deposit areas host, in aggregate, a 2022 NI 43-101 inferred resource of 2.198 Moz 2PGE+Au contained in 63.6 Mt grading 1.08 g/t 2PGE+Au

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

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

ValOre completed an on budget 11,120-metre ("m") drill program in 2021 (108 holes total), comprised of 1,828 m of Reverse Circulation ("RC") drilling in 38 holes, and 9,292 m of core drilling in 70 holes. Primary focus of resource expansion (Trapia 1, Trapia 2, Santo Amaro), Target Advancement (Massape, Santo Amaro South, Cana Brava, C-04), and New Discovery (Esbarro NW, Trapia South, Trapia SW).

Excellent resource expansion potential was demonstrated all three priority targets (Trapia 1, Trapia 2, Santo Amaro), and multiple new PGE discoveries were made with the RC rig (Trapia South, Esbarro NW). In addition, exciting potential was established at the pre-resource Massape and Santo Amaro South targets, both of which will be considered in the 2022 resource re-calculation.

In September 2021, ValOre engaged highly experienced metallurgist, Chris Kaye, to oversee the current and future testwork campaigns, which will now be carried out at ALS Metallurgy Kamloops ("ALS"), as it was determined that SGS Lakefield lacked the experience and bandwidth to complete the required testwork. Chris will work with ValOre to develop and optimize a metallurgical flowsheet for Pedra Branca, ultimately working towards a potential PEA in H2, 2022.

Metallurgical testwork program at ALS commenced mid-October, with a primary focus on mineralogy and conventional processing circuits for the Curiu and Esbarro deposits. Recoveries of 82.9% for platinum (Pt), 71% for palladium (Pd) and 85.2% for gold (Au) were achieved by the first locked cycle flotation test on a fresh, unweathered 30-kilogram sample composited from Curiu PGE deposit drill core. This locked cycle flotation test produced a concentrate grading 78.4 grams per tonne g/t 2PGE+Au, and based on the information available to date, no deleterious element thresholds were exceeded, and a detailed elemental analysis on the concentrate is underway. The focus now shifted to flowsheet development for Weathered Curiu material, and testing samples from the other deposit areas in the 2022 resource estimate.

Additional metallurgical test work on-going at Base Met Lab in Kamloops, including: ferricyanide leaching and reverse flotation. Results to date show a strong improvement of Pt leaching in ferricyanide, on a sample of flotation tails from the Fresh Curiu composite sample: 48h extraction into solution = Pt 72.2%, Pd 90.8%. Follow-up testwork is under way on a full composite sample (not just the tails) and a sample of Weathered material from the Curiu deposit. Reverse flotation test work is on-going with the hopes of removing MgO from the feed, which would have positive implications for Platsol (reduce acid consumption). Results to date suggest the MgO is not suitable to removal via reverse flotation.

A recalculation of the Pedra Branca NI 43-101 Inferred Resource was completed in March 2022, totaling 2.198 Moz palladium + platinum + gold in 63.6 million tonnes grading 1.08 g/t 2PGE+Au. The updated Pedra Branca mineral resource estimate was completed by independent Brazilian consultancy GE21 Consultoria Mineral, in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards incorporated, by reference, in NI 43-101 Standards of Disclosure for Mineral Projects, and has been reviewed internally by ValOre.

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

### **Angilak Property, Nunavut**

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

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

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

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

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

In March 2022 ValOre announced the commencement of 2022 Exploration at Angilak Property Uranium Project. RC Drilling and Geophysics work started in Mid April. The full program is expected to end in September.

**Hatchet Lake Property, Saskatchewan**

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

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

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

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

	Cash payments		Common shares*		Exploration expenditures
Upon the grant of the option	\$100,000	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.

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

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

During the period 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.

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

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

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

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

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

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

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

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

Exploration by ValOre and Coast Copper since 2014 included several airborne geophysical surveys (magnetic-EM, gravity, ZTEM™), lake sediment sampling, soil sampling, vegetation (biogeochemical) sampling and prospecting. Programs focussed on systematic and targeted exploration that generated several geochemical and geophysical priority target areas such as Jurgen 1-2, Kingston, Johnston/GAP and Daniels Bay, however during the year ended

September 30, 2019, management decided to no longer pursue exploration activities on this project and as a result decided to write it off. Currently there are six active mineral claims in ValOre's name on the Genesis Property in Saskatchewan, totalling 397.31 ha.

### **Baker Basin, Nunavut**

The Baker Basin Uranium Project is located south of the hamlet of Baker Lake in Nunavut Territory, Canada. ValOre acquired 100% of Pacific Ridge Exploration Ltd's ("PEX") ownership interest in the Baker Basin Property through payment of 60,000 shares of ValOre, \$55,000 in cash and a \$70,000 private placement purchase of PEX units.

During the year ended September 30, 2018, ValOre determined it would not conduct further exploration on the Baker Basin property and during the quarter ended December 31, 2018 a final charge on Baker Basin of \$202 was recorded and subsequently the property was written down to a value of \$Nil. Three active mineral claims, totaling 4,141.57 ha, remain in ValOre's name.

## **QUALIFIED PERSON**

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

## **SELECTED ANNUAL INFORMATION**

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

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

## **RESULTS OF OPERATIONS**

As at March 31, 2022 exploration and evaluation assets totalled \$9,867,889 (September 30, 2021 - \$9,867,889). For details of the cost break-down, please refer to Note 5 of the condensed interim consolidated financial statements for the six months ended March 31, 2022.

### **For the six months ended March 31, 2022 and 2021**

Net loss before income taxes for the six months ended March 31, 2022 was \$4,916,775 or (\$0.04) per common share (March 31, 2021 – \$1,948,043 or (\$0.02) per common share). The variances from the prior year were primarily due to the following items:

- Evaluation and exploration expenditures of \$3,655,518 (2021 – \$1,223,178). The increase is due to an expansion in field operations in Canada (Angilak project) as compared to same period last year.
- Bank charges and interest of \$6,156 (2021 – \$40,404). The decrease is due to full repayment of loans last year end (For further details, please refer to Note 8 of the condensed interim consolidated financial statements for the six months ended March 31, 2022).
- Investor relations of \$187,910 (2021 - \$93,892). The increase is due to an increase in business activity.
- Listing and filing fees of \$87,406 (2021 - \$31,819). The increase is due to the private placement occurred in November as well as the increase in business activity.
- Share-based compensation of \$897,127 (2021 - \$nil). The increase is due to more options granted as compared to the same period last year.

## SUMMARY OF QUARTERLY RESULTS

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

	Mar 31, 2022	Dec 31, 2021	Sept 30, 2021	June 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020	June 30, 2020
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income (expense)	125,927	374,317	13,169	8,610	4,673	424	188	308
Net loss	(3,285,944)	(1,630,831)	(2,482,511)	(1,206,178)	(654,810)	(1,293,233)	(1,361,448)	(595,118)
Basic and diluted loss per common share	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)
Total assets	20,205,229	21,694,914	12,633,895	14,114,396	15,198,420	10,107,709	10,668,688	10,378,102
Shareholders' equity	17,290,292	19,573,183	11,062,091	13,256,952	14,463,130	6,974,433	8,253,818	9,134,610
Share capital	93,060,241	92,658,439	82,992,926	82,365,056	82,365,056	74,207,165	74,184,894	73,750,131
Contributed surplus	14,548,047	13,857,673	13,329,901	13,552,621	13,552,621	13,449,505	13,455,676	13,391,291
Deficit	90,362,341	87,076,397	85,445,566	82,963,055	81,756,877	81,102,067	79,808,834	78,447,386
Cash dividends declared per common share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### **For the three months ended March 31, 2022 and 2021**

Net loss before income taxes for the three months ended March 31, 2022 was \$3,285,944 or (\$0.02) per common share (2021 – \$654,810 or (\$0.01) per common share). The variances from the prior year were primarily due to the following items:

- Evaluation and exploration expenditures of \$2,297,290 (2021 – \$282,696). The increase is due to an expansion in field operations in Canada (Angilak project) as compared to same period last year.
- Bank charges and interest of \$2,233 (2021 – \$25,780). The decrease is due to full repayment of loans last year end (For further details, please refer to Note 8 of the condensed interim consolidated financial statements for the six months ended March 31, 2022).
- Investor relations of \$76,368 (2021 - \$53,854). The increase is due to an increase in business activity.

- Office and sundry of \$47,500 (2021 - \$9,597). The increase is due an increase in business activity.
- Travel and conference fees of \$38,666 (2021 - \$16,541). The increase is due to travel expenses on Angilak project.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2022, ValOre had a working capital of \$8,546,142 (September 30, 2021 - working capital of \$2,285,558). ValOre has sufficient cash to fund its current operating and administration costs for the next twelve months.

At March 31, 2022, ValOre had a cash balance of \$9,374,029 (September 30, 2021 - \$2,516,919) to settle accounts payable and accrued liabilities of \$1,651,066 (September 30, 2021 - \$316,859). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to conventional trade terms.

The net change in cash as at March 31, 2022 was an increase in cash of \$6,857,110 (March 31, 2021 – increase in cash of \$4,497,373) due to the following activities:

### **Cash used in operating activities**

Net cash used in operating activities during the six months ended March 31, 2022 was \$3,963,723 (March 31, 2021 - \$2,310,461). Cash was mostly spent on exploration and development work, management, consulting, and general and administrative costs.

### **Cash provided by investing activities**

Total cash provided by investing activities during the six months ended March 31, 2022 was \$Nil (March 31, 2021 – cash provided \$42,405).

### **Cash generated by financing activities**

Total net cash generated by financing activities during the six months ended March 31, 2022 was \$10,820,833 (March 31, 2021 - \$6,765,429), resulting from funds raised through the private placement, net of share issuance costs, the proceeds from the exercise of warrants and options.

At March 31, 2022, ValOre's investment in exploration and evaluation assets, aggregated \$9,867,889 (September 30, 2021 - \$9,867,889), made up of the following:

	Cumulative as at March 31, 2022	Cumulative as at September 30, 2021
Angilak, Nunavut	\$ 949,439	\$ 949,439
Pedra Branca	\$ 8,918,450	\$ 8,918,450
Total	\$ 9,867,889	\$ 9,867,889

During the six months ended March 31, 2022, ValOre closed a brokered private placement for gross proceeds of \$11,000,000. The Company sold 18,333,333 flow-through units of the Company to charitable purchasers (each, a "Charity FT Unit") at a price of \$0.60 per Charity FT Unit. Each Charity FT Unit consists of one common share of the Company (each, a "FT Share") and one-half of one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share of the Company (each, a "Warrant Share") at a price of \$0.65 per Warrant Share at any time on or before November 17, 2023. The FT Shares and Warrant Shares are subject to a hold period ending on March 18, 2022. A premium of \$0.03 per unit was received for the flow-through shares resulting in an initial liability of \$550,000.

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

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

## **Risks and Uncertainties**

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

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

Both the Angilak and Pedra Branca projects have benefited from significant exploration campaigns by several different exploration groups over the past 40 years, which included initial metallurgy and engineering work. Additionally, both Angilak and Pedra Branca host deposits with published NI 43-101 inferred resources.

The Baffin Gold Property in Nunavut, Hatchet Lake and Genesis Properties in Saskatchewan (and Manitoba) are currently at an early stage of exploration.

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

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

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

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

Mining operations generally involve a high degree of risk. ValOre's operations are subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, and political unrest.

The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action.

ValOre does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may cause substantial delays and require significant capital outlays.

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

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

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

### ***Government Regulation***

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

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

### ***Competition***

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

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

ValOre has taken precautions to ensure that legal titles to its property interests are properly recorded. There can

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

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

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

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

All phases of ValOre's operations will be subject to environmental regulation in the jurisdictions in which it intends to operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations.

They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which ValOre holds interests or on properties that will be acquired which are unknown to ValOre at present and which have been caused by previous or existing owners or operators of the properties.

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

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

### ***Commodity Prices***

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

These prices fluctuate widely, and future serious price declines could cause continued development of ValOre's properties to be impracticable.

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

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

### ***Price Volatility***

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

### ***Key Executives***

ValOre is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the operations of ValOre are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved.

Due to the relatively small size of ValOre, the loss of these persons or ValOre's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. ValOre does not currently carry any key-man life insurance on any of its executives. The directors and officers of ValOre only devote part of their time to the affairs of ValOre.

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

Certain directors and officers of ValOre are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of ValOre.

Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of ValOre. Directors and officers of ValOre with conflicts of interest are subject to and do follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### ***Dividends***

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

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

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

## OFF BALANCE SHEET ARRANGEMENTS

ValOre does not utilize off balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

### **Key management compensation**

Key management consists of ValOre's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. The aggregate value of compensation with key management for the 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	-
<b>Total remuneration</b>	<b>\$ 516,035</b>	<b>\$ 221,400</b>

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

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

### **Other related party transactions**

During the 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.

### **Loan payable**

During the year ended September 30, 2021, the Company repaid the full amount of the loans due to the CEO and CFO.

## PROPOSED TRANSACTIONS

There are no proposed transactions that should be disclosed.

## CRITICAL ACCOUNTING ESTIMATES

ValOre's accounting policies are presented Note 2 of the condensed interim consolidated financial statements for the six months ended March 31, 2022 and the audited consolidated financial statements for year ended September 30, 2021. The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

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

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

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

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

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

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

The accounting policies in preparation of the consolidated financial statements for the six months ended March 31, 2022 are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended September 30, 2021.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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

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

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

### ***Credit risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, other receivables, marketable securities and GST recoverable. Management believes that the credit risk concentration with respect to financial instruments included in cash, marketable securities, other receivables and GST recoverable is remote as they relate to deposits and interest receivable from major financial institutions, marketable securities held with a major brokerage firm, and one other small balance. The maximum credit risk as at 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 accounts payable and accrued 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, accounts receivable and accounts payable and accrued liabilities, denominated in Brazilian Real. A 10% fluctuation between the Canadian dollar and the Brazilian real would impact profit or loss by approximately \$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).

## **OTHER REQUIREMENTS**

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

Additional disclosure concerning ValOre's general and administrative expenses and exploration and evaluation assets is provided in ValOre's Statement of Loss and Deficit and Schedule of Exploration and Evaluation Assets contained in its condensed interim consolidated financial statements for the six months ended March 31, 2022 and its audited annual financial statements for September 30, 2021, available on [www.sedar.com](http://www.sedar.com).

**Commitments**

Advance royalty fees to NTI

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

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.

**Outstanding Share Data**

ValOre's authorized share capital is unlimited common shares without par value. As at the date of this MD&A, the following common shares, options, and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares *	142,492,912		
Warrants	13,340,932	\$0.45	February 17, 2023
	10,199,035	\$0.65	November 17, 2023
Options	705,000	\$1.00	July 6, 2022
	1,675,000	\$0.30	August 10, 2023
	4,425,000	\$0.25	September 6, 2024
	6,600,000	\$0.45	December 9, 2024
Fully Diluted at May 27, 2022	179,437,878		

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

**APPROVAL**

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

## **ADDITIONAL INFORMATION**

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

**ValOre Metals Corp.**

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**VALORE METALS CORP.**

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

**VALORE METALS CORP.**

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