



**Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended December 31, 2022 and 2021**

(Unaudited - Expressed in Canadian Dollars)

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

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

The attached condensed interim consolidated financial statements for the three months ended December 31, 2022 have not been reviewed by the Company's auditors.

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note(s)	December 31, 2022	September 30, 2022
<b>ASSETS</b>			
Current assets:			
Cash		\$ 77,497	\$ 1,593,793
GST recoverable		274,867	586,869
Prepaid expenses		125,121	218,823
Total current assets		477,485	2,399,485
Non-current assets:			
Equipment	4	104,312	116,439
Exploration and evaluation assets	5	9,867,889	9,867,889
Total assets		\$ 10,449,686	\$ 12,383,813
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	9	\$ 183,642	\$ 1,180,787
Loan payable	7,9	\$ 1,000,000	\$ 600,000
		1,183,642	1,780,787
Non-current liabilities:			
Decommissioning liability	6	1,464,426	1,450,680
		2,648,068	3,231,467
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	98,162,956	98,162,956
Obligation to issue shares	8	-	-
Contributed surplus	8	14,892,752	14,892,752
Subscription receivable	8	-	(16,000)
Accumulated other comprehensive loss	3	(116,214)	(116,214)
Deficit		(105,137,876)	(103,771,148)
Total shareholders' equity		7,801,618	9,152,346
Total liabilities and shareholders' equity		\$ 10,449,686	\$ 12,383,813

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

APPROVED ON FEBRUARY 27, 2023 ON BEHALF OF THE BOARD:

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

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

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		<b>Three months ended December 31,</b>	
	Note(s)	<b>2022</b>	<b>2021</b>
<b>Expenses</b>			
Depreciation	4	\$ 12,127	\$ 11,596
Bank charges and interest		2,689	3,923
Exploration expenditures	5	1,014,646	1,358,228
Investor relations		101,123	111,542
Listing and filing fees		9,149	60,585
Management and consulting fees	9	124,057	152,538
Office and sundry		960	33,730
Professional fees		53,105	64,990
Share-based compensation	8,9	-	194,701
Travel and conference		51,643	10,042
<b>Loss before the undernoted</b>		<b>(1,369,499)</b>	<b>(2,001,875)</b>
<b>Other income (expenses)</b>			
Interest income		5,583	16,682
Foreign exchange		(2,812)	(3,273)
Other income		-	357,635
<b>Net loss for the period</b>		<b>(1,366,728)</b>	<b>(1,630,831)</b>
Change in fair value of marketable securities	3	-	(51,362)
<b>Total comprehensive loss for the period</b>		<b>\$ (1,366,728)</b>	<b>\$ (1,682,193)</b>
<b>Basic and diluted loss per common share</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>153,681,245</b>	<b>131,034,976</b>

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

**ValOre Metals Corp.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	<b>Three months ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Net loss for the year	\$ (1,366,728)	\$ (1,630,831)
<i>Items not involving cash:</i>		
Depreciation	12,127	11,597
Accretion	13,746	4,456
Other income	-	(257,635)
Share-based compensation	-	194,701
<i>Changes in non-cash working capital:</i>		
GST recoverable	312,002	(17,136)
Prepaid expenses	93,702	13,656
Accounts payable and accrued liabilities	(997,145)	3,107
<b>Net cash used in operating activities</b>	<b>(1,932,296)</b>	<b>(1,678,085)</b>
<b>Cash flows from financing activities:</b>		
Issuance of shares for warrants exercised	-	150,000
Issuance of shares for options exercised	-	187,350
Issuance of shares for private placement	-	11,000,000
Share issuance costs - cash	-	(788,767)
Proceeds from related party loan	400,000	-
Subscription received	16,000	-
<b>Net cash provided by financing activities</b>	<b>416,000</b>	<b>10,548,583</b>
Net increase (decrease) in cash	(1,519,296)	8,870,498
Cash, beginning of the period	1,593,793	2,516,919
Cash, end of the period	\$ 77,497	11,387,417

During the period ended December 31, 2022, the Company paid \$Nil (2021 - \$Nil) in interest, and \$Nil (2021 - \$Nil) in finance expenses on loan.

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

Change in fair value of marketable securities	\$	-	\$ (51,362)
Fair value of options exercised	\$	-	\$ 100,353
Fair value of warrants issued on private placement	\$	-	\$ 183,333
Fair value of finders warrants	\$	-	\$ 250,090
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 Shareholder's Equity

Expressed in Canadian Dollars)

	Share Capital (Note 8)		Obligation to issue shares	Contributed surplus	Subscription receivable	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Number of shares	Amount						
<b>Balance at September 30, 2021</b>	<b>121,496,746</b>	<b>\$82,992,926</b>	<b>\$ 235,000</b>	<b>\$13,329,901</b>	<b>\$ -</b>	<b>\$(85,445,566)</b>	<b>\$ (50,170)</b>	<b>\$ 11,062,091</b>
Warrants exercised	333,333	150,000	-	-	-	-	-	150,000
Shares issued for private placement	18,333,333	10,816,667	-	183,333	-	-	-	11,000,000
Share issuance costs - cash	-	(788,767)	-	-	-	-	-	(788,767)
Share issuance costs - finders warrants	-	(250,090)	-	250,090	-	-	-	-
Share-based compensation	-	-	-	194,702	-	-	-	194,702
Options exercised	624,500	287,703	-	(100,353)	-	-	-	187,350
Fair value adjustment on marketable securities	-	-	-	-	-	-	(51,362)	(51,362)
Flow-Through Liability	-	(550,000)	-	-	-	-	-	(550,000)
Net loss for the period	-	-	-	-	-	(1,630,831)	-	(1,630,831)
<b>Balance at December 31, 2021</b>	<b>140,787,912</b>	<b>\$92,658,439</b>	<b>\$ 235,000</b>	<b>\$13,857,673</b>	<b>\$ -</b>	<b>\$(87,076,397)</b>	<b>\$ (101,532)</b>	<b>\$ 19,573,183</b>
<b>Balance at September 30, 2022</b>	<b>153,681,245</b>	<b>\$98,162,956</b>	<b>\$ -</b>	<b>\$14,892,752</b>	<b>\$ (16,000)</b>	<b>\$(103,771,148)</b>	<b>\$ (116,214)</b>	<b>\$ 9,152,346</b>
Subscription received	-	-	-	-	16,000	-	-	16,000
Net loss for the period	-	-	-	-	-	(1,366,728)	-	(1,366,728)
<b>Balance at December 31, 2022</b>	<b>153,681,245</b>	<b>\$98,162,956</b>	<b>\$ -</b>	<b>\$14,892,752</b>	<b>\$ -</b>	<b>\$(105,137,876)</b>	<b>\$ (116,214)</b>	<b>\$ 7,801,618</b>

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

# ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2022 and 2021  
(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, 2022, the Company has not achieved profitable operations and has accumulated losses since inception.

As at December 31, 2022, the Company had current assets of \$477,485 to settle current liabilities of \$1,183,642, leaving the company with a negative working capital of \$706,157. 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 December 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, 2022.

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2022 and 2021  
(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, 2023.

The condensed interim consolidated financial statements for the three months ended December 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 February 27, 2023.

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 three months ended December 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, 2022.

### 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, 2021	Additions Sep 30, 2022	Disposals Sep 30, 2022	Fair value adjustment Sep 30, 2022	Fair value Sep 30, 2022
Common shares	\$ -	\$ 250,000	\$ (183,956)	\$ (66,044)	\$ -

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## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)

	Fair value Sep 30, 2022	Additions Dec 31, 2022	Disposals Dec 31, 2022	Fair value adjustment Dec 31, 2022	Fair value Dec 31, 2022
Common shares	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2022, the Company received 2,837,684 shares of Azincourt Energy Corp. ("Azincourt") valued at \$250,000 at issuance date (Note 5).

During the year ended September 30, 2022, the Company sold investments for proceeds of \$183,956 (2021 - \$81,643). This resulted in a loss of \$66,044 (2021 - \$2,252) which was recognized in accumulated other comprehensive loss.

### 4. Equipment

	Furniture & Equipment	Computer Equipment	Field Equipment	Vehicles	Total
<b>Cost</b>					
Balance at September 30, 2021 and 2022	\$ 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	978	812	29,922	15,438	47,150
Balance at September 30, 2022	\$ 29,636	\$ 24,449	\$ 865,385	\$ 21,909	\$ 941,379
<b>Net book value at September 30, 2022</b>	<b>\$ 1,959</b>	<b>\$ 270</b>	<b>\$ 59,840</b>	<b>\$ 54,370</b>	<b>\$ 116,439</b>

	Furniture & Equipment	Computer Equipment	Field Equipment	Vehicles	Total
<b>Cost</b>					
Balance at September 30, 2021, 2022 and December 31, 2022	\$ 31,595	\$ 24,719	\$ 925,225	\$ 76,279	\$ 1,057,818
<b>Accumulated depreciation</b>					
Balance at September 30, 2022	\$ 29,636	\$ 24,449	\$ 865,385	\$ 21,909	\$ 941,379
Depreciation	245	203	7,480	4,199	12,127
Balance at December 31, 2022	\$ 29,881	\$ 24,652	\$ 872,865	\$ 26,108	\$ 953,506
<b>Net book value at December 31, 2022</b>	<b>\$ 1,714</b>	<b>\$ 67</b>	<b>\$ 52,360</b>	<b>\$ 50,171</b>	<b>\$ 104,312</b>

### 5. Exploration and evaluation assets

	Angilak	Pedra Branca	Total
September 30, 2020, 2021, 2022 and December 31, 2022	\$ 949,439	\$ 8,918,450	\$ 9,867,889

## ValOre Metals Corp.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2022 and 2021  
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### a) Exploration expenditures

	Angilak	Baffin Gold	Pedra Branca	Hatchet Lake	Total
Accretion (Note 6)	\$ 4,456	\$ -	\$ -	\$ -	\$ 4,456
Assays	-	-	116,843	-	116,843
Land administration	50,000	217,917	2,980	-	270,897
Drilling	-	-	432,415	-	432,415
Field and general operations	135,511	685	145,665	-	281,861
Field contractors and consultants	-	-	3,062	-	3,062
Salaries and wages	76,000	-	166,389	-	242,389
Travel and accommodation	-	-	6,305	-	6,305
<b>December 31, 2021</b>	<b>\$ 265,966</b>	<b>\$ 218,602</b>	<b>\$ 873,660</b>	<b>\$ -</b>	<b>\$ 1,358,228</b>

	Angilak	Baffin Gold	Pedra Branca	Hatchet Lake	Total
Accretion (Note 6)	\$ 13,745	\$ -	\$ -	\$ -	\$ 13,745
Assays	-	-	42,216	-	42,216
Land administration	-	217,917	14,886	-	232,803
Air support and transportation	303	-	-	-	303
Drilling	(3,940)	-	-	-	(3,940)
Field and general operations	205,033	-	88,471	-	293,504
Field contractors and consultants	59,103	2,972	28,527	-	90,601
Laboratory costs	27,116	-	65,303	-	92,418
Salaries and wages	67,500	-	149,211	-	216,711
Travel and accommodation	15,876	-	20,408	-	36,284
<b>December 31, 2022</b>	<b>\$ 384,735</b>	<b>\$ 220,889</b>	<b>\$ 409,022</b>	<b>\$ -</b>	<b>\$ 1,014,646</b>

### b) General

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

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

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

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

ValOre acquired a 100% interest in the Company in exchange for the following consideration:

1. the issuance and allotment to Jangada of:
  - a. 22,000,000 common shares in the authorized share capital of ValOre (issued) on closing of the transaction.
  - b. 3,000,000 common shares in the authorized share capital of ValOre in six equal tranches commencing on the date falling six months after Closing and ending on the date falling thirty-six months after Closing, 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;

## ValOre Metals Corp.

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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 September 30, 2022, the Company issued 3,000,000 shares valued at \$705,000 to Jangada pursuant to the purchase agreement then fulfilling 100% of its commitment with Jangada.

### **Angilak, Nunavut**

The Angilak Property was acquired from Kaminak, formerly a related party with common directors and officers, through the reorganization transaction (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.

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

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

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

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

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

### **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.

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Notes to Condensed Interim Consolidated Financial Statements for the Three Months Ended December 31, 2022 and 2021  
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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 three months ended December 31, 2022, an annual fee amount of \$217,917 (2021 - \$217,917) was paid to NTI.

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

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

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

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

During the year ended September 30, 2022, ValOre entered into a definitive property option agreement with Azincourt Energy Corp. ("Azincourt"), pursuant to which Azincourt was granted the option to acquire up to a

## ValOre Metals Corp.

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seventy-five percent interest in the Hatchet Lake Uranium Project. Pursuant to the terms of the Option, Azincourt can acquire a seventy-five percent interest in the Project by completing a series of cash payments and share issuances to ValOre, and incurring certain expenditures on the Project, as follows:

	Cash payments		Common shares*		Exploration expenditures
Upon the grant of the option	\$100,000	received	\$250,000	received	Not applicable
Within 12 months**	\$250,000		\$500,000		\$1,000,000
Within 24 months	\$250,000		\$500,000		\$1,000,000
Within 36 months	\$250,000		\$500,000		\$2,000,000

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

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

Following completion of these requirements Azincourt will hold a seventy-five percent interest in the Project. In the event Azincourt does not complete the final cash payment (\$250,000) and share issuance (\$500,000), and incur the final expenditures (\$2,000,000), Azincourt will earn a fifty percent interest in the Project.

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

\*\* These obligations were not yet fulfilled by Azincourt. The Company is in the process of negotiations to amend the terms of the definitive property option agreement with Azincourt.

### 6. Decommissioning liability

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

	December 31, 2022	September 30, 2022
Balance, beginning of period	\$ 1,450,680	\$ 1,254,945
Accretion	13,746	17,915
Change in estimate	-	177,820
Balance, end of period	\$ 1,464,426	\$ 1,450,680

During the year ended September 30, 2022, the Company changed the estimate to reflect the current market rates. The revised calculation estimates an undiscounted reclamation obligation of \$1,562,726 expected to be incurred in 2 years. An inflation rate of 6.90% (2021 – 4.40%) and a risk-free discount rate of 3.79% (2021 – 1.42%) were used to determine the balance of the decommissioning liability as at September 30, 2022.

During the three months ended December 31, 2022, the Company recorded \$13,745 in 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, 2022, the CEO of the Company loaned \$600,000 to the Company to cover certain working capital requirements. The loan has no specified interest rate and no specific terms of repayment.

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During the three months ended December 31, 2022, the CEO of the Company loaned \$400,000 to the Company to cover certain working capital requirements. The loan has no specified interest rate and no specific terms of repayment.

	December 31, 2022	September 30, 2022
Opening balance	\$ 600,000	\$ -
Additions	400,000	600,000
Interest expense	-	-
Stand-by fee (finance expense)	-	-
Repayment	-	-
Ending balance	\$ 1,000,000	\$ 600,000

### 8. Share Capital

#### a) Authorized

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

#### b) Issued

##### Three months ended December 31, 2022

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

##### Three months ended December 31, 2021

During the three months ended December 31, 2021, 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. 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. Allocation as follows:

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

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.

#### c) Warrants

The changes in warrants issued are as follows:

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	Number of Warrants	Weighted Average Exercise Price
Outstanding Warrants, September 30, 2021	16,327,315	\$0.55
Issued	13,928,634	\$0.63
Expired	(1,523,050)	\$1.50
Exercised	(3,711,666)	\$0.45
Outstanding Warrants, September 30, 2022 and December 31, 2022	25,021,233	\$0.55

At December 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	11,092,599	0.13
November 17, 2023	\$0.60	900,000	0.88
November 17, 2023	\$0.65	9,299,034	0.88
August 30, 2024	\$0.60	3,729,600	1.67
Weighted average of exercise price and remaining contractual life	\$0.55	25,021,233	0.67

\*Expired unexercised subsequent the period end

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:

	December 31, 2022	September 30, 2022
Risk-free interest rate	n/a	1.05%
Expected dividend yield	n/a	0.00
Share price	n/a	\$0.57
Expected stock price volatility	n/a	85.61%
Average expected warrant life	n/a	2 years
Fair value of warrants granted	n/a	\$0.24

### 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.

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	Number of Options	Weighted Average Exercise Price
Outstanding options, September 30, 2021	7,504,500	\$0.34
Granted	6,600,000	\$0.45
Expired	(705,000)	\$1.00
Exercised	(1,699,500)	\$0.27
Outstanding options, September 30, 2022 and December 31, 2022	11,700,000	\$0.37

At December 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
August 10, 2023	\$0.30	1,575,000	1,575,000	0.61
September 6, 2024	\$0.25	3,525,000	3,525,000	1.68
December 9, 2024	\$0.45	6,600,000	6,600,000	1.94
Weighted average of exercise price and remaining contractual life	\$0.37	11,700,000	11,700,000	1.69

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, 2022	September 30, 2022
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 December 31, 2022, the Company recognized \$Nil (2021 – \$194,701) 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 three months ended December 31, 2022 was \$101,700 (2021 - \$169,550) and was comprised of the following:



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		Three months ended December 31, 2022		Three months ended December 31, 2021
Management and consulting fees	\$	52,500	\$	52,500
Directors' fees (included in Management and consulting fees in the Statements of Loss and Comprehensive Loss)		49,200		49,200
Share-based compensation		-		67,850
<b>Total remuneration</b>	<b>\$</b>	<b>101,700</b>	<b>\$</b>	<b>169,550</b>

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

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

### Other related party transactions

During the three months ended December 31, 2022, ValOre incurred a total of \$15,000 (2021 - \$15,000) in consulting fees and \$5,455 (2021 - \$5,455) in rent from a company owned by a close family member of the CFO.

### Loan payable

During the three months ended December 31, 2022, the Company owed \$1,000,000 in loan payable (September 30, 2022 - \$600,000) to the CEO of the Company (Note 7).

## 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		366,667
Settlement of flow-through share liability on incurring expenditures		(366,667)
<b>Balance at September 30, 2022</b>	<b>\$</b>	<b>-</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 \$0.02 per unit was received for the flow-through shares resulting in an initial liability of \$366,667.

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. During the year ended September 30, 2022, the Company fulfilled its commitment.

## 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:

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

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

### **Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to cash, is remote as they relate to deposits with major financial institutions. The maximum credit risk as at December 31, 2022 was \$77,497 (September 30, 2022 - \$1,593,793).

### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2022, ValOre had a cash balance of \$77,497 (September 30, 2022 - \$1,593,793) to settle current liabilities of \$1,183,642 (September 30, 2022 - \$1,780,787).

### **Market risk**

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

#### *(a) Interest rate risk*

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 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 \$3,000 (September 30, 2022 - \$1,000).

#### *(c) Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company maintains certain investments in marketable securities which are measured at fair value, being the closing price of each

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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.

### 12. Capital Management

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

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

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

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the three ended December 31, 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.

	December 31, 2022	September 30, 2022
Equipment		
Canada	\$ 54,141	\$ 62,069
Brazil	50,171	54,370
	104,312	116,439
Exploration and evaluation assets		
Canada	949,439	949,439
Brazil	8,918,450	8,918,450
	9,867,889	9,867,889
	\$ 9,972,201	\$ 9,984,328

### 14. Subsequent event

Subsequent the three months ended December 31, 2022; the following events took place:

- 11,092,599 warrants expired unexercised.
- The CEO of the Company loaned \$100,000 to the Company. The loan has no specified interest rate and no specific terms of repayment.