VALORE METALS CORP

Consolidated Financial Statements

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

Expressed in Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
ValOre Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of ValOre Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates the Company 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. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dylan Connelly.

Davidson & Company LLP

Chartered Professional Accountants

Vancouver, Canada

January 25, 2023

ValOre Metals Corp.
(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note(s)		September 30, 2022		September 30, 2021
ASSETS					
Current assets:					
Cash		$	1,593,793	$	2,516,919
GST recoverable			586,869		18,165
Prepaid expenses			218,823		67,333
Total current assets			2,399,485		2,602,417
Non-current assets:					
Equipment	4		116,439		163,589
Exploration and evaluation assets	5		9,867,889		9,867,889
Total assets		$	12,383,813	$	12,633,895
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	9	$	1,180,787	$	316,859
Loan payable	7,9	$	600,000	$	-
			1,780,787		316,859
Non-current liabilities:					
Decommissioning liability	6		1,450,680		1,254,945
			3,231,467		1,571,804
SHAREHOLDERS' EQUITY					
Share capital	8		98,162,956		82,992,926
Obligation to issue shares	8		-		235,000
Contributed surplus	8		14,892,752		13,329,901
Subscription receivable	8		(16,000)		-
Accumulated other comprehensive loss	3		(116,214)		(50,170)
Deficit			(103,771,148)		(85,445,566)
Total shareholders' equity			9,152,346		11,062,091
Total liabilities and shareholders' equity		$	12,383,813	$	12,633,895

Nature of Operations and Going Concern *(Note 1)*
Subsequent event *(Note 15)*

APPROVED ON JANUARY 25, 2023 ON BEHALF OF THE BOARD:

"James Paterson", CEO, Director

"Dale Wallster", Director

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

ValOre Metals Corp.
(An Exploration Stage Company)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note(s)		**Year-ended Sept 30, 2022**		**Year-ended Sept 30, 2021**
Expenses					
Depreciation	4	$	47,150	$	38,181
Bank charges and interest			10,174		81,084
Exploration expenditures	5		15,664,511		4,218,666
Investor relations			402,326		202,249
Listing and filing fees			130,059		100,211
Management and consulting fees	9		502,492		640,780
Office and sundry			160,175		81,615
Professional fees			242,318		184,297
Share-based compensation	8,9		1,539,476		-
Travel and conference			98,380		37,355
Loss before the undernoted			(18,797,061)		(5,584,438)
Other income (expenses)					
Finance expense			-		(24,456)
Interest income			76,514		20,026
Foreign exchange			28,298		(54,714)
Other income			-		6,850
Amortization of flow-through premium liability	10		366,667		-
Net loss for the year			(18,325,582)		(5,636,732)
Change in fair value of marketable securities	3		(66,044)		(2,252)
Total comprehensive loss for the year		$	(18,391,626)	$	(5,638,984)
Basic and diluted loss per common share		$	(0.13)	$	(0.05)
Weighted average number of common shares outstanding			140,772,711		108,972,692

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

ValOre Metals Corp.

(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year-ended Sept 30, 2022		Year-ended Sept 30, 2021
Cash flows from operating activities:				
Net loss for the year	$	(18,325,582)	$	(5,636,732)
Items not involving cash:				
Depreciation		47,150		38,181
Accretion		17,915		8,387
Other income		(250,000)		-
Interest expense on loan		-		63,868
Finance expense on loan		-		24,456
Share-based compensation		1,539,476		-
Amortization of FT premium liability		(366,667)		-
Change in estimate on decommissioning liability		177,820		830,343
Changes in non-cash working capital:				
Other receivables		-		1,453
GST recoverable		(568,704)		2,818
Prepaid expenses		(151,490)		(32,638)
Accounts payable and accrued liabilities		863,928		(375,942)
Net cash used in operating activities		(17,016,154)		(5,075,806)
Cash flows from investing activities:				
Proceeds from sale of marketable securities		183,956		81,643
Acquisition of equipment		-		(76,279)
Net cash provided by investing activities		183,956		5,364
Cash flows from financing activities:				
Issuance of shares for warrants exercised		1,670,250		146,564
Issuance of shares for options exercised		464,850		287,650
Issuance of shares for private placement		13,960,000		8,327,500
Share issuance costs - cash		(786,028)		(314,457)
Proceeds from related party loan		600,000		945,278
Repayment of related party loan		-		(2,339,456)
Net cash provided by financing activities		15,909,072		7,053,079
Net increase (decrease) in cash		(923,126)		1,982,637
Cash, beginning of the year		2,516,919		534,282
Cash, end of the year	$	1,593,793		2,516,919

During the year ended September 30, 2022, the Company paid $Nil (2021 - $63,868) in interest, and $Nil (2021 - $39,400) in finance expenses on loan.

Supplemental Schedule of Non-Cash Investing and Financing Activities				
Shares issued for Pedra Branca acquisition	$	235,000	$	235,000
Change in fair value of marketable securities	$	(66,044)	$	(2,252)
Long term liability transferred to accounts payable	$	-	$	50,000
Fair value of warrants exercised	$	-	$	56,180
Fair value of options exercised	$	302,735	$	222,720
Fair value of warrants issued on private placement	$	74,400	$	-
Fair value of finders warrants	$	251,710	$	153,125
Flow through premium liability	$	366,667	$	-

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

ValOre Metals Corp.

(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholder's Equity
Expressed in Canadian Dollars)

	Share Capital (Note 8)							
	Number of shares	Amount	Obligation to issue shares	Contributed surplus	Subscription receivable	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
Balance at September 30, 2020	**90,950,677**	**$74,184,894**	**$ 470,000**	**$13,455,676**	**$ -**	**$(79,808,834)**	**$ (47,918)**	**$ 8,253,818**
Shares issued for property acquisition	1,000,000	235,000	(235,000)	-	-	-	-	-
Warrants exercised	637,235	202,744	-	(56,180)	-	-	-	146,564
Shares issued for private placement	27,758,334	8,327,500	-	-	-	-	-	8,327,500
Share issuance costs - cash	-	(314,457)	-	-	-	-	-	(314,457)
Share issuance costs - finders warrants	-	(153,125)	-	153,125	-	-	-	-
Options exercised	1,150,500	510,370	-	(222,720)	-	-	-	287,650
Fair value adjustment on marketable securities	-	-	-	-	-	-	(2,252)	(2,252)
Net loss for the year	-	-	-	-	-	(5,636,732)	-	(5,636,732)
Balance at September 30, 2021	**121,496,746**	**$82,992,926**	**$ 235,000**	**$13,329,901**	**$ -**	**$(85,445,566)**	**$ (50,170)**	**$ 11,062,091**
Shares issued for property acquisition	1,000,000	235,000	(235,000)	-	-	-	-	-
Warrants exercised	3,711,666	1,670,250	-	-	-	-	-	1,670,250
Shares issued for private placement	25,773,333	13,901,600	-	74,400	(16,000)	-	-	13,960,000
Share issuance costs - cash	-	(786,028)	-	-	-	-	-	(786,028)
Share issuance costs - finders warrants	-	(251,710)	-	251,710	-	-	-	-
Share-based compensation	-	-	-	1,539,476	-	-	-	1,539,476
Options exercised	1,699,500	767,585	-	(302,735)	-	-	-	464,850
Fair value adjustment on marketable securities	-	-	-	-	-	-	(66,044)	(66,044)
Flow-Through Liability	-	(366,667)	-	-	-	-	-	(366,667)
Net loss for the year	-	-	-	-	-	(18,325,582)	-	(18,325,582)
Balance at September 30, 2022	**153,681,245**	**$98,162,956**	**$ -**	**$14,892,752**	**$ (16,000)**	**$(103,771,148)**	**$ (116,214)**	**$ 9,152,346**

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

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 September 30, 2022, the Company had current assets of $2,399,485 to settle current liabilities of $1,780,787, leaving the company with a working capital of $618,698. 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

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standards 1, Presentation of Financial Statements (“IAS 1”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b) Basis of consolidation

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

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.

d) Equipment

Recognition and measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

When parts of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized net within other income in profit or loss.

Subsequent costs

The cost of replacing equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The costs of the day-to-day servicing of equipment are expensed.

Depreciation

Depreciation is calculated over the cost of an asset less its residual value. Depreciation is provided on a declining balance method at rates designed to depreciate the cost of the equipment over the estimated useful lives. The annual depreciation rates are as follows:

Computer equipment	30%
Furniture and equipment	20%
Field equipment	20%
Vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

e) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than ValOre's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on marketable securities.

f) Exploration and evaluation assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. Costs related to the acquisition of exploration and evaluation assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value. Costs related to the exploration and evaluation of mineral properties are recognized in profit or loss as incurred.

Any option payments received by ValOre from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral interest. If payments received exceed the capitalized cost of the mineral interest, the excess is recognized as income in the year received and allocated against exploration expenses. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of ValOre to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

g) Restoration, rehabilitation and environmental costs

ValOre recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at the net present value of estimated future cash flows and the resulting costs are expensed to the statement of loss and comprehensive loss. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows.

h) Income taxes

Tax expense comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date. As the Company is in a loss position there is no current tax payable.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

i) Impairment

Non-financial assets

At each reporting date the carrying amounts of ValOre's long-lived assets, which are comprised of equipment and exploration and evaluation assets, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset or its related cash generating unit. For purposes of impairment testing, assets are grouped at the lowest levels that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the associated assets are reduced to their recoverable amount and the impairment loss is recognized in profit or loss for the period.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment charge is reversed through profit or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any applicable depreciation, if no impairment loss had been recognized.

j) Financial instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, Fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Fair value through other comprehensive income ("FVTOCI") – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Pursuant to IFRS 9, ValOre classifies its financial instruments as follows:

Cash	FVTPL
Marketable securities	FVTOCI
Accounts payable, Accrued liabilities	Amortized cost
Loan payable	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI. Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

k) Share-based compensation

The grant date fair value of share-based compensation awards granted to employees and consultants, including directors and officers, is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. Share-based compensation to non-employees are measured at the fair value of the goods or services received or if such fair value is not reliably measurable, at the fair value of the equity instruments issued. 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.

l) Loss per common share

Basic loss per common share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The computation of diluted loss per common share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise of outstanding options and warrants would be anti-dilutive for the periods presented and accordingly, basic and diluted loss per share are the same.

m) Use of estimates and judgments

The following are the critical judgments and estimates that ValOre has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements.

Critical judgments

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

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting the consolidated financial statements include:

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, ValOre would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

Useful life of equipment

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

Carrying value and recoverability of 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.

Environmental rehabilitation obligation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

(Expressed in Canadian Dollars)

As at September 30, 2022, the Company recorded $1,450,680 (2021 – $1,254,945) in decommissioning liabilities relating to its exploration and evaluation assets (Note 6).

n) Share capital

Common shares

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issue of common shares, including warrants, are recognized as a reduction of equity, net of tax. ValOre uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

o) Flow-through shares

The issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Upon renunciation of the flow through expenditures, the liability component is derecognized in the statement of loss and comprehensive loss and a deferred income tax liability is recognized for the taxable temporary difference created at the Company's applicable tax rate which is expected to apply in the year the deferred income tax liability will be settled. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss and comprehensive loss.

p) Recent accounting pronouncements:

There were no new accounting standards or amendments to standards that were applicable to the Company for the year ended September 30, 2022 nor does the Company expect any that have not yet become effective to have a significant impact on its financial statements.

3. Marketable securities

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

	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)	$ -

(Expressed in Canadian Dollars)

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
Cost					
Balance at September 30, 2020	$ 31,595	$ 24,719	$ 925,225	$ -	$ 981,539
Additions	-	-	-	76,279	76,279
Balance at September 30, 2021	$ 31,595	$ 24,719	$ 925,225	$ 76,279	$ 1,057,818
Accumulated depreciation					
Balance at September 30, 2020	$ 27,678	$ 22,825	$ 805,545	$ -	$ 856,048
Depreciation	980	812	29,918	6,471	38,181
Balance at September 30, 2021	$ 28,658	$ 23,637	$ 835,463	$ 6,471	$ 894,229
Net book value at September 30, 2021	**$ 2,937**	**$ 1,082**	**$ 89,762**	**$ 69,808**	**$ 163,589**

	Furniture & Equipment	Computer Equipment	Field Equipment	Vehicles	Total
Cost					
Balance at September 30, 2021 and 2022	$ 31,595	$ 24,719	$ 925,225	$ 76,279	$ 1,057,818
Accumulated depreciation					
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
Net book value at September 30, 2022	**$ 1,959**	**$ 270**	**$ 59,840**	**$ 54,370**	**$ 116,439**

5. Exploration and evaluation assets

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

(Expressed in Canadian Dollars)

a) Exploration expenditures

	Angilak	Baffin Gold	Pedra Branca	Hatchet Lake	Total
Accretion (Note 6)	$ 8,387	$ -	$ -	$ -	$ 8,387
Assays	-	-	411,957	-	411,957
Land administration	79,544	145,279	142,775	-	367,598
Drilling	-	-	1,358,035	-	1,358,035
Decommissioning liability (Note 6)	830,343	-	-	-	830,343
Field and general operations	59,985	275	256,051	-	316,311
Field contractors and consultants	12,972	4,896	198,834	-	216,702
Laboratory costs	-	-	9,398	-	9,398
Salaries and wages	1,167	-	649,814	-	650,981
Travel and accommodation	-	-	48,954	-	48,954
September 30, 2021	**$ 992,398**	**$ 150,450**	**$ 3,075,818**	**$ -**	**$ 4,218,666**

	Angilak	Baffin Gold	Pedra Branca	Hatchet Lake	Total
Accretion (Note 6)	$ 17,915	$ -	$ -	$ -	$ 17,915
Assays	-	-	290,077	-	290,077
Claim maintenance	31,995	-	-	-	31,995
Community consultation	2,125	-	-	-	2,125
Land administration	79,544	217,917	116,872	-	414,333
Air support and transportation	4,432,311	-	-	-	4,432,311
Decommissioning liability (Note 6)	177,820	-	-	-	177,820
Drilling	1,760,919	-	467,035	-	2,227,954
Field and general operations	3,027,523	180	258,873	-	3,286,576
Field contractors and consultants	1,346,148	9,414	178,509	-	1,534,071
Fuel	1,760,314	-	-	-	1,760,314
Laboratory costs	8,685	-	39,868	-	48,553
Salaries and wages	311,000	-	594,588	-	905,588
Option payment received	-	-	-	(350,000)	(350,000)
Travel and accommodation	840,586	-	44,293	-	884,879
September 30, 2022	**$ 13,796,885**	**$ 227,511**	**$ 1,990,115**	**$ (350,000)**	**$ 15,664,511**

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;

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

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

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

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

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

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

During the period ended September 30, 2022, an annual fee amount of $217,917 (2021 - $145,278) 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:

(Expressed in Canadian Dollars)

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

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

During the year ended September 30, 2022, ValOre entered into a definitive property option agreement with Azincourt Energy Corp. ("Azincourt'), pursuant to which Azincourt was granted the option to acquire up to a seventy-five percent interest in the Hatchet Lake Uranium Project. Pursuant to the terms of the Option, Azincourt can acquire a seventy-five percent interest in the Project by completing a series of cash payments and share issuances to ValOre, and incurring certain expenditures on the Project, as follows:

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

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

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

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

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

** 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 year ended September 30, 2022 and the year ended September 30, 2021 were as follows:

	September 30, 2022	September 30, 2021
Balance, beginning of year	$ 1,254,945	$ 416,215
Accretion	17,915	8,387
Change in estimate	177,820	830,343
Balance, end of year	$ 1,450,680	$ 1,254,945

(Expressed in Canadian Dollars)

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 year ended September 30, 2022, the Company recorded $17,915 in accretion and $177,820 in estimate changes to adjust the reclamation obligation which was included in Evaluation and Exploration Expenditures (Note 5 a).

7. Loan payable

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

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

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

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.

	September 30, 2022	September 30, 2021
Opening balance	$ -	$ 1,305,854
Additions	600,000	945,278
Interest expense	-	63,868
Stand-by fee (finance expense)	-	24,456
Repayment	-	(2,339,456)
Ending balance	$ 600,000	$ -

8. Share Capital

a) Authorized

As at September 30, 2022, there were an unlimited number of common voting shares without par value authorized.

b) Issued

Year ended September 30, 2022

During the year ended September 30, 2022, ValOre closed a brokered private placement for gross proceeds of $11,000,000. The Company issued 18,333,333 flow-through units of the Company at a price of $0.60 per unit. Each unit consists of one common share of the Company (each, a "FT Share") and one-half of one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share of the Company (each, a "Warrant Share") at a price of $0.65 per Warrant Share at any time on or before November 17, 2023. A premium of $0.02 per unit was received for the flow-through shares resulting in an initial liability of $366,667. Allocation as follows:

(Expressed in Canadian Dollars)

Gross proceeds	Common shares	Warrants	Flow-through premium liability
$ 11,000,000	$ 10,266,667	$ -	$ 366,667

In connection with the private placement, the Company paid a total of $1,032,278 in share issuance costs, comprised of $782,188 cash payment and a total of 1,032,368 finders warrants valued at $250,090 at issuance date. The finders' warrants have the same terms of the Warrant Shares described above.

During the year ended September 30, 2022, the Company issued 1,000,000 common shares valued at $235,000 to Jangada pursuant to the purchase agreement (Note 5b) and was applied against obligation to issue shares.

During the year ended September 30, 2022, 3,711,666 common shares were issued upon warrants exercised for gross proceeds of $1,670,250.

During the year ended September 30, 2022, 1,699,500 common shares were issued upon options exercised for gross proceeds of $464,850. In connection with the issuance, a total of $302,735 was re-allocated from contributed surplus to share capital.

During the year ended September 30, 2022, the Company closed a non-brokered private placement financing. ValOre issued 7,440,000 units at a price of $0.40 per unit for gross proceeds of $2,976,000. Each unit consists of one common share in the capital of ValOre and one-half of one non-transferable common share purchase warrant. Each Warrant will be exercisable to acquire one share at a price of $0.60 per share for a period of 24 months, expiring August 30, 2024. In connection with the private placement, the Company paid a total of $5,460 in share issuance costs, comprised of $3,840 cash payment and a total of 9,600 finders warrants valued at $1,620 at issuance date. The finders' warrants have the same terms of the Warrant Shares described above.

Year ended September 30, 2021

On February 17, 2021, ValOre closed a private placement by issuing 27,758,334 units at a price of $0.30 per unit for gross proceeds of $8,327,500. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant is exercisable into one common share of the Company for $0.45 per share for a period of two years expiring February 17, 2023. In connection with this private placement, the Company incurred $314,457 in share issuance costs and issued 925,098 finder warrants with a fair value of $153,125 (Note 8 c).

During the year ended September 30, 2021, the Company issued 1,000,000 common shares valued at $235,000 to Jangada pursuant to the purchase agreement (Note 5b) and was applied against obligation to issue shares.

During the year ended September 30, 2021, 637,235 common shares were issued upon warrants exercised for gross proceeds of $146,564. In connection with the issuance, a total of $56,180 was re-allocated from contributed surplus to share capital.

During the year ended September 30, 2021, 1,150,500 common shares were issued upon options exercised for gross proceeds of $287,650. In connection with the issuance, a total of $222,720 was re-allocated from contributed surplus to share capital.

c) Warrants

The changes in warrants issued are as follows:

(Expressed in Canadian Dollars)

	Number of Warrants	Weighted Average Exercise Price
Outstanding Warrants, September 30, 2020	6,291,285	$0.62
Issued	14,804,265	$0.45
Expired	(4,131,000)	$0.35
Exercised	(637,235)	$0.23
Outstanding Warrants, September 30, 2021	16,327,315	$0.55
Issued	13,928,634	$0.63
Expired	(1,523,050)	$1.50
Exercised	(3,711,666)	$0.45
Outstanding Warrants, September 30, 2022	25,021,233	$0.55

At September 30, 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	0.38
November 17, 2023	$0.60	900,000	1.13
November 17, 2023	$0.65	9,299,034	1.13
August 30, 2024	$0.60	3,729,600	1.92
Weighted average of exercise price and remaining contractual life	$0.55	25,021,233	0.92

During the year ended September 30, 2022, the Company issued 1,041,968 finders warrants and recognized $251,710 (2021 – $153,125) in related share issuance costs.

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

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

d) Stock Options

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

On December 9, 2021, the Company granted 6,600,000 incentive stock options to certain Directors, Officers, Employees and Consultants of the Company. The Options are exercisable at $0.45 per share for a period of three years from the date of grant with ¼ vesting upon grant and ¼ vesting every 3 months thereafter.

(Expressed in Canadian Dollars)

	Number of Options	Weighted Average Exercise Price
Outstanding options, September 30, 2020	8,655,000	$0.33
Exercised	(1,150,500)	$0.25
Outstanding options, September 30, 2021	7,504,500	$0.34
Granted	6,600,000	$0.45
Expired	(705,000)	$1.00
Exercised	(1,699,500)	$0.27
Outstanding options, September 30, 2022	11,700,000	$0.37

At September 30, 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	0.86
September 6, 2024	$0.25	3,525,000	3,525,000	1.94
December 9, 2024	$0.45	6,600,000	6,600,000	2.19
Weighted average of exercise price and remaining contractual life	$0.37	11,700,000	11,700,000	1.94

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

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

At September 30, 2022, the Company recognized $1,539,476 (2021 – $Nil) in share-based compensation expense for the fair value of stock options granted and vested.

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

9. Related Party Transactions

Key management compensation

Key management consists of ValOre's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. The aggregate value of compensation with key management for the year ended September 30, 2022 was $1,118,225 (2021 - $430,800) and was comprised of the following:

(Expressed in Canadian Dollars)

		Year ended September 30, 2022		Year ended September 30, 2021
Management and consulting fees	$	210,000	$	210,000
Directors' fees (included in Management and consulting fees in the Statements of Loss and Comprehensive Loss)		196,800		220,800
Share-based compensation		711,425		-
Total remuneration	**$**	1,118,225	**$**	430,800

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 year ended September 30, 2022, ValOre incurred a total of $60,000 (2021 - $60,000) in consulting fees and $21,820 (2021 - $22,476) in rent from a company owned by a close family member of the CFO.

Loan payable

During the year ended September 30, 2022, the Company owed $600,000 in loan payable (September 30, 2021 - $nil) 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.

Balance at September 30, 2021	**$**	**-**
Liability incurred on flow-through shares		366,667
Settlement of flow-through share liability on incurring expenditures		(366,667)
Balance at September 30, 2022	**$**	**-**

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:

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 September 30, 2022 was $1,593,793 (September 30, 2021 - $2,516,919).

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2022, ValOre had a cash balance of $1,593,793 (September 30, 2021 - $2,516,919) to settle current liabilities of $1,780,787 (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 September 30, 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 $1,000 (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. During the year ended September 30, 2022, the Company sold its remaining securities (Note 3).

(Expressed in Canadian Dollars)

12. Capital Management

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

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

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

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the year ended September 30, 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.

	September 30, 2022	September 30, 2021
Equipment		
Canada	$ 62,069	$ 93,781
Brazil	54,370	69,808
	116,439	163,589
Exploration and evaluation assets		
Canada	949,439	949,439
Brazil	8,918,450	8,918,450
	9,867,889	9,867,889
	$ 9,984,328	$ 10,031,478

14. Income Taxes

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27% (2021 – 27%) to the income for the year and is reconciled as follows:

	Year Ended Sept 30, 2022	**Year Ended Sept 30, 2021**
Loss before income taxes	(18,325,582)	(5,636,732)
Statutory Canadian federal and provincial tax rates	27%	27%
Expected income tax (recovery)	(4,948,000)	(1,522,000)
Change in statutory, foreign exchange rates and other	500,000	121,000
Permanent difference	317,000	-
Share issue cost	(212,000)	(85,000)
Change in unrecognized deductible temporary differences	1,373,000	1,510,000
Adjustment to prior years provision versus statutory tax returns	-	(24,000)
Deferred income tax expense (recovery)	-	-

(Expressed in Canadian Dollars)

The tax effects on the temporary differences that give rise to the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Non-capital losses	$ 5,719,000	$ 5,264,000
Investment tax credit	1,500,000	-
Decommissioning liability	392,000	339,000
Allowable capital losses	13,000	4,000
Property and Equipment	278,000	270,000
Share issuance costs	245,000	115,000
Exploration and evaluation assets	8,328,000	9,110,000
	16,475,000	15,102,000
Unrecognized deferred tax assets	(16,475,000)	(15,102,000)
Net deferred tax liability	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have been included on the statement of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	$ 30,843,000	No expiry date	$ 28,186,000	No expiry date
Investment tax credit	2,054,000	2030 to 2034	2,054,000	2030 to 2034
Decommissioning liability	1,451,000	No expiry date	1,255,000	No expiry date
Allowable capital losses	48,000	No expiry date	15,000	No expiry date
Property and Equipment	1,031,000	No expiry date	999,000	No expiry date
Share issuance costs	909,000	2043 to 2046	427,000	2042 to 2045
Non-capital losses	24,302,000	2028 to 2042	20,575,000	2028 to 2041
Canada	17,278,000	2028 to 2042	15,722,000	2028 to 2041
Brazil	7,024,000	No expiry date	4,853,000	No expiry date

Tax attributes are subject to review and potential adjustment by tax authorities.

15. Subsequent event

Subsequent to the year ended September 30, 2022, the CEO of the Company loaned $400,000 to the Company. The loan has no specified interest rate and no specific terms of repayment.