

VALOREM RESOURCES INC.
(formerly JDF Explorations Inc.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

Six Months ending 31 October 2020

December 28, 2020

The following Management Discussion & Analysis ("MD&A") has been prepared as October 31, 2020 and is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Valorem Resources Inc. formerly "JDF Explorations Inc." ("Valorem" or the "Company") for the six months ending October 31, 2020. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are posted on the SEDAR website (see www.sedar.com). The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and is listed on the Canadian Stock Exchange trading symbol VALU.

FORWARD LOOKING STATEMENTS

Certain statements in this report may be forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about our current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Except as may be required by applicable law or stock exchange regulation, Valorem undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If Valorem updates one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

Additional information relating to Valorem is available by accessing the SEDAR website at www.sedar.com.

OVERVIEW AND INTRODUCTORY COMMENT

Valorem purchased the Blue Hawk Claims in June 2014. During the year ended 30 April 2020, the junior resource market conditions and the uncertainty associated with the Company's ability to exploit any future economic benefits on its Blue Hawk property, the Company chose to make a payment to the Minister of Finance, in lieu of completing exploration and development work on the Blue Hawk property.

OPERATING MILESTONES

Black Dog Lake Gold property, Quebec

In August 2020, the Company signed an option agreement to purchase Black Dog Lake Gold property, which comprises 19 contiguous mineral claims covering 1,003 hectares, located in the James Bay region of Quebec. Under the terms of the option agreement, the Company agrees over three years, to pay a total of \$195,000 cash, to issue a total of 2.75 million common shares, and to spend a total of \$750,000 in exploration expenditures on the property.

East Cortez Gold project, Nevada

On January 14, 2020, ("the Closing Date"), the Company signed an asset purchase agreement (the "APA") with an arm's length party (the "Vendor") to acquire 32 lode mining claims comprising the East Cortez Gold project, in Eureka County, Nevada. The APA required total cash payment of \$435,000 and total issuance of 500,000 common shares.

Subsequent to the signing of the APA, due to limitations caused by the COVID-19 pandemic, the Company was unable to send personnel to the property to conduct the work program, and as a result on April 30, 2020, the Company and the Vendor decided to terminate the APA agreement. Pursuant to the termination agreement, the Vendor agreed to forgive the payment of the \$25,000 cash and to return 150,000 common shares to the Company (fair valued at \$11,250). During the quarter, the Company received the 150,000 common shares back and cancelled them from Treasury.

FINANCIAL CONDITION

CAPITAL RESOURCES

On October 31, 2020, the Company had 49,264,715 (April 30, 2020 – 45,614,715) common shares outstanding.

Shares issuances

On September 4, 2020, the Company closed a non-brokered private placement and issued 3,450,000 units of the Company at a price of \$0.10 per Unit. Each Unit consists of one common share of the Company and one-half of one transferrable Share purchase warrant. Each whole warrant will entitle the holder thereof to acquire one additional share at a price of \$0.15 for term of 1 year following closing, being September 4, 2021. The Share purchase warrant is subject to acceleration.

On August 20, the Company issued 500,000 common shares in accordance with the Black Dog Lake Gold project agreement (note 4).

On April 20, 2020, the Company received and returned to treasury 150,000 common shares when the APA on the East Cortez Gold project was cancelled (Note 4).

On January 24, 2020, the Company issued 300,000 common shares (fair valued at \$85,000) pursuant to the asset purchase agreement for the East Cortez Gold project (Note 4).

On October 25, 2019, the Company closed a non-brokered private placement see of 835,000 units at \$0.30 per unit for total cash proceeds of \$250,500. One unit consists of one common share and one share purchase warrant.

On August 28, 2019, the Company issued 1,666,666 common shares through a non-brokered private placement at \$0.03 per share for proceeds of \$50,000.

Share purchase warrants

On October 31, 2020, the Company issued 1,650,000 (April 30, 2020 – nil) transferrable share purchase warrants as part of a units (Note 5 share issuances September 4, 2020). Each warrant entitles the holder to acquire one share at \$0.15 until September 4, 2021. The Share purchase warrants are subject to acceleration.

On October 25, 2019, the Company issued 835,000 warrants share purchase warrants as part of a units (Note 5 share issuances August 20, the Company). Each warrant entitles the holder to acquire one common share at a price of \$0.40 for a period of five years from the date of issuance.

Stock options

In December 2019, the Company approved a stock option plan which authorizes the Directors to grant options to directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Company. Stock options granted under the Plan may have a maximum term of ten years and may be subject to vesting terms at the discretion of the directors.

No stock options have been issued under the plan as of October 31, 2020.

Liquidity and Capital Resources

On October 31, 2020, the Company had \$32,463 (April 30, 2020 - \$4,712) in cash and a working capital deficit of \$109,656 (April 30, 2020 \$126,658). On September 4, 2020, the Company closed a non-brokered private placement and raised \$345,000 and issued 3,450,000 units of the Company at a price of \$0.10 per Unit.

The Company will continue to consider all sources of financing reasonably available to it, including, equity, debt, and the sale of assets or parts of assets, including mineral properties. There can be no assurance of continued access to finance in the future and an inability to secure financing may require the Company to reduce or defer exploration and development activities.

Selected quarterly information:

		Cash	Total Assets	Mineral Properties	Total Liabilities	Net Income (Loss)	Net Income (Loss) per share
31-Jan-19	Q3	48,181	55,350	-	(264)	(26,423)	(0.001)
30-Apr-19	Q4	38,809	43,019	-	(13,120)	(10,785)	(0.000)
31-Jul-19	Q1	22,028	27,353	-	(13,333)	(15,879)	(0.000)
31-Oct-19	Q2	121	10,130	-	(48,376)	(102,266)	(0.002)
31-Jan-20	Q3	3,338	198,873	110,500	(127,118)	(210,909)	(0.005)
30-Apr-20	Q4	4,712	50,238	-	(176,896)	(198,503)	(0.004)
31-Jul-20	Q1	413	40,707	-	(243,552)	(76,187)	(0.002)
31-Jul-20	Q2	32,463	166,043	85,000	(275,699)	(347,248)	(0.007)

Comparison of results of Operations, for the six months ended October 31, 2020 and 2019: During the six months ended October 31, 2020, the Company incurred a net loss of \$347,248 (October 31, 2019 - \$118,145), an unfavorable variance of \$229,103. Explanations for the unfavorable variance are:

- Promotion \$171,117 (2019 \$nil) an unfavorable variance of \$171,117 as the Company implemented a program to improve its image.
- Consultants and Professional fees of \$107,992 (2019 - \$38,745), an unfavorable variance of \$69,247 primarily due to management fees started in September 2019 2 months in 2019 vs 6 months in 2020.
- Transfer agent fees of \$12,369 (2019 - \$9,200), an unfavorable variance of \$3,169 increased activity in the normal course of operations.

Partly offset by

- Professional fees \$47,000 (2019 - \$55,686) a favorable variance of \$8,686 primarily due to lower legal fees.

- Office, miscellaneous, insurance, website, and travel costs of \$7,441 (2019 – \$13,183) a favorable variance of \$5,742 due to reduced travel \$2,561, reduced website cost \$1,838, reduced office and miscellaneous \$1,020 and reduction in insurance premium \$323.

RELATED PARTY TRANSACTIONS

The Company transacted with the following related parties during the six months ended October 31, 2020 and 2019. These transactions are in the normal course of operations are measured at the exchange amount established and agreed to by the related parties.

	Three months ended	
	October 31, 2020	October 31, 2019
Compensation	\$	\$
Chief Executive Officer and Director	48,000	16,800
A company controlled by the Chief		
Financial Officer and Director	32,000	11,025
Director	48,000	13,600
	128,000	41,425

DUE TO RELATED PARTIES

The Company owed the amounts shown to related parties on October 31, 2020 and 2019:

	October 31, 2020	October 31, 2019
Payable	\$	\$
Loan from a Director	-	1,000
Consulting services		
Chief Executive Officer and Director	102,310	24,000
A company controlled by the Chief		
Financial Officer and Director	76,215	18,000
Director	95,400	18,000
	273,925	61,000

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company has satisfied all its commitments pursuant to its exploration and evaluation property agreements as detailed in note 4 of the October 31, 2020, Condensed Interim Financial Statements filed in conjunction with this MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares with no par value. On October 31, 2020, the Company had 49,264,715 common shares outstanding (April 30, 2020: 44,614,715) and no outstanding share purchase warrants or stock options outstanding.

CAUTIONARY STATEMENTS

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs.

There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via

SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.