

VALOREM RESOURCES INC.
(formerly JDF Explorations Inc.)
CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months ended January 31, 2021 and 2020
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection, 4.3 (3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Valorem Resources Inc. (“the Company”) have been prepared by and are the responsibility of the Company’s management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimate and judgements based on information currently available.

The Company’s independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review on interim financial statements by an entity’s auditor.

**VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**

	Notes	January 31, 2021	April 30, 2020 (Audited)
ASSETS			
CURRENT ASSETS			
Cash		\$ 87,380	\$ 4,712
Share subscriptions receivable	5	21,688	21,688
Other receivables		51,473	18,961
Prepaid expenses	3	648,500	4,877
		809,041	50,238
LONG TERM ASSETS			
Exploration and evaluation assets	4,5,7,11	450,818	-
TOTAL ASSETS		\$ 1,259,859	\$ 50,238
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	6,7	\$ 170,431	\$ 26,823
Related party liabilities	6	330,423	150,073
TOTAL LIABILITIES		500,854	176,896
SHAREHOLDERS' EQUITY			
Share capital	5	2,377,831	792,736
Contributed surplus	5	274,656	264,314
Accumulated deficit		(1,893,482)	(1,183,708)
		759,005	126,658
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,259,859	\$ 50,238

Subsequent events – Note 11

Approved on behalf of the Board of Directors on March 31, 2021:

“Tony Louie” Director “Derick Sinclair” Director

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	For the three month period ended January 31, 2021	For the three month period ended January 31, 2020	For the nine month period ended January 31, 2021	For the nine month period ended January 31, 2020
Note				
Expenses				
Consulting fees	\$ 150,009	\$ 127,163	\$ 258,001	\$ 165,908
Insurance	4,179	2,149	7,655	5,948
Office and miscellaneous (recovery)	192	335	(222)	941
Professional fees	34,500	20,760	81,500	76,446
Promotion	162,864	54,289	333,981	54,289
Property expenses	4 14,350	1,605	15,679	2,936
Transfer agent fees	2,432	3,348	14,801	12,548
Travel and promotion	-	(90)	-	2,561
Website	-	1,350	4,379	7,567
Loss before other item	\$ (368,526)	\$ (210,909)	\$ (715,774)	\$ (329,144)
Gain on settlement of debt	6,000	-	6,000	-
Net loss and comprehensive loss for the period	\$ (362,526)	\$ (210,909)	\$ (709,774)	\$ (329,144)
Basic and diluted loss per share for the period	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding	50,217,378	45,337,541	47,923,934	44,057,246

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

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
NINE MONTH PERIOD ENDED JANUARY 31, 2021
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Share Capital		Contributed surplus	Accumulated deficit	Total
	Number of shares	Amount			
Balance at April 30, 2019	42,813,049	\$ 421,736	\$ 264,314	\$ (656,151)	\$ 29,899
Share issued for cash	2,501,666	300,500	-	-	300,500
Share issue costs	-	(15,000)	-	-	(15,000)
Shares issued for exploration and evaluation assets	300,000	85,500	-	-	85,500
Net loss for the period	-	-	-	(329,144)	(329,144)
Balance at January 31, 2020	45,614,715	\$ 792,736	\$ 264,314	\$ (985,295)	\$ 71,755
Balance at April 30, 2020	45,614,715	\$ 792,736	\$ 264,314	\$ (1,183,708)	\$ (126,658)
Share issued for cash	12,189,998	1,219,000	-	-	1,219,000
Share issue costs	-	(26,093)	10,342	-	(15,751)
Shares returned to treasury	(150,000)	-	-	-	-
Shares issued for exploration and evaluation assets	1,437,500	278,938	-	-	278,938
Shares issued for finder's fee on exploration and evaluation asset	450,000	74,250	-	-	74,250
Shares issued for debt	300,000	39,000	-	-	39,000
Net loss for the period	-	-	-	(709,774)	(709,774)
Balance at January 31, 2021	59,842,213	\$ 2,377,831	\$ 274,656	\$ (1,893,482)	\$ 759,005

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

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
NINE MONTH PERIOD ENDED JANUARY 31, 2021
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Nine month period ended January 31, 2020	Nine month period ended January 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (709,774)	\$ (329,144)
Item not affecting cash:		
Gain on settlement of debt	(6,000)	-
Net changes in non-cash working capital accounts		
Increase in other receivables	(32,512)	(41,746)
Increase in prepaid expenses	(643,623)	(39,079)
Increase in accounts payable and accrued liabilities	125,977	30,425
Increase in related party liabilities	180,350	-
Net cash used in operating activities	(1,085,582)	(379,544)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	1,219,000	371,000
Share issue costs	(15,750)	-
Proceeds from loan payable	-	83,573
Net cash provided by financing activities	1,203,250	454,573
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation costs	(35,000)	(110,500)
Net cash used in investment activities	(35,000)	(110,500)
Increase in cash during the period	82,668	(35,471)
Cash, beginning of the period	4,712	38,809
Cash, end of the period	\$ 87,380	\$ 3,338

Note 7 – Supplemental disclosures with respect to cash flows.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Valorem Resources Inc (formerly JDF Explorations Inc.) (“VALU” or the “Company”) is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold, precious metals, and base metal properties. VALU was incorporated on May 9, 2014. On September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. Trading of the Company’s shares under the new name and symbol commenced on September 15, 2020.

The head office, principal address and registered and records office of the Company is located at 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is currently evaluating its exploration and evaluation assets and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves. The Company's future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions.

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. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended April 30, 2020, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements have been prepared following the same accounting policies applied to the Company’s audited financial statements.

Basis of measurement

These condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these condensed interim financial statements have been prepared on the historical-cost basis, except for certain financial assets and financial liabilities.

Foreign currency translation

The Company’s reporting and functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

Valorem Resources Inc.
Notes to the Condensed Interim Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Going concern assumption

These condensed interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is in the process of exploring the Black Dog Lake Project, Blue Hawk Property, and Wing Shear Property and it has not yet determined whether the properties contain reserves that are economically recoverable. As at January 31, 2021 the Company had not advanced any properties to commercial production and is now able to finance day to day activities through operations as a result of completing its recent private placement. During the nine month period ended January 31, 2021, the Company incurred a net loss and comprehensive loss of \$709,774 (January 31, 2020 - \$329,144) and, as of that date, had an accumulated deficit of \$1,893,482 (April 30, 2020 - \$1,183,708) and working capital (deficiency) of \$308,187 (April 30, 2020 - (\$126,658)). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors form a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has been successful in the past in raising funds for exploration, but there is no assurance that it will be able to continue to do so.

These condensed interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Impairment of Exploration and Evaluation assets - Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Significant accounting judgments, estimates and assumptions (continued)

Impairment of Exploration and Evaluation assets (continued)

In respect of costs incurred for its exploration and evaluation assets, management has determined that the property acquisition costs be capitalized on the statements of financial position and, the evaluation, development and related costs incurred be expensed on the statements of operations and comprehensive loss. Management has determined there are no indicators of impairment for its exploration and evaluation assets as at January 31, 2021.

Usage of the going concern assumption - The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. PREPAID EXPENSES

	January 31, 2021	April 30, 2020
Marketing, media, and analytics agreements	\$ 648,500	\$ -
Director and officer liability insurance	-	4,877
	\$ 648,500	\$ 4,877

The Company entered into agreements with three arm's length companies during the nine month period ended January 31, 2021.

An arm's length firm was paid \$270,000 to provide marketing services one year. The Company expensed \$39,919 to promotion expenses resulting in \$230,081 of prepaid expenses at January 31, 2021.

An arm's length firm was engaged to provide digital media services, vendor management, marketing, and data analytics services to the Company. In exchange for these services, the Company paid \$424,245, of which \$64,823 has been expensed to promotion expenses. As at January 31, 2021, \$359,422 remains as a prepaid expense.

The Company paid an arm's length marketing firm \$88,496 (net of GST) to provide marketing awareness services to the Company for a six month period commencing December 1, 2020. As at January 31, 2021 \$58,997 of the payment remains in prepaid expenses.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

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4. EXPLORATION AND EVALUATION EXPENPENDITURES

The following table is a reconciliation of property acquisition costs which are capitalized as exploration and evaluation assets as at January 31, 2021:

	Black Dog Project	Wing Shear Property	Total expenditures
Acquisition costs, April 30, 2020	\$ -	\$ -	\$ -
Additions	85,000	365,818	450,818
Acquisition costs, January 31, 2021	\$ 85,000	\$ 365,818	\$ 450,818

The following table is a reconciliation of exploration costs which are reported as property expenses during the nine month period ended January 31, 2021:

	Black Dog Project	Blue Hawk Property	Total expenditures
Property expenses, May 1, 2020	\$ -	\$ -	\$ -
Additions:			
Claim staking and renewals	-	829	829
Geological consulting	14,850	-	14,850
Property expenses, January 31, 2021	\$ 14,850	\$ 829	\$ 15,679

Blue Hawk Property, British Columbia

The Company earned a 100% interest in the Blue Hawk property, which consists of the Blue Hawk claims located near Kelowna, British Columbia in 2015. While evaluating the 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 property. The Company entered into an agreement to sell the Blue Hawk 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.

On May 1, 2020, 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. The Company has received and cancelled the 150,000 common shares.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

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4. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Black Dog Lake Gold Project, Quebec

On August 4, 2020, the Company signed a property option agreement (the “Black Dog Agreement”) to purchase the Black Dog Lake Gold property, which comprises 16 contiguous mineral claims covering 1,002.31 hectares, located in the James Bay region of Quebec.

Pursuant to the terms of the Black Dog Agreement, the Company can earn a 100% interest in the Black Dog Gold Project by making the following payments to the Optionors:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum exploration requirements
\$35,000 (paid) due within 5 business days of the effective date	500,000 shares (issued at a value of \$50,000) and due upon execution of the Black Dog Agreement	\$-
\$45,000 due on 1 st anniversary date of the effective date	500,000 shares to be issued on or before one year from signing the Black Dog Agreement	\$50,000 to be spent on or before the 1 st anniversary date of the effective date
\$55,000 due on 2 nd anniversary of the effective date	750,000 shares to be issued on or before two years from signing the Black Dog Agreement	\$200,000 to be spent on or before the 2 nd anniversary of the effective date
\$60,000 due on the 3 rd anniversary date of the effective date	1,000,000 shares to be issued on or before three years from signing the Black Dog Agreement	\$500,000 to be spent on or before the 3 rd anniversary date of the effective date
\$195,000	2,750,000 shares	\$750,000

The Optionors retain a 2% Net Smelter Return Royalty (“NSR”) on all metals recovered from the Black Dog Lake Gold Project. The Company has the right at any time to acquire 50% of the NSR for \$1,000,000.

In the event that the Company declares a proven reserve supported by a 43-101 Technical Report, an additional 1,000,000 common shares are to be issued to the Optionors.

Wing Shear Property, Newfoundland and Labrador

On January 4, 2021, the Company entered into a mineral property option agreement (the “Wing Shear Agreement”), to acquire a 100% interest in the Wing Shear Property. The property is comprised of 280 claim units covering 7,000 hectares located 32 kilometers northeast of Gander, Newfoundland and Labrador.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Wing Shear Property, Newfoundland and Labrador (continued)

Pursuant to the terms of the Wing Shear Agreement, the Company can earn a 100% interest in the Wing Shear Property by making the following payments to the Optionor:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum work commitment
\$45,000 (paid) within 5 business days from the effective date	750,000 shares (issued) to be issued on same day of 1 st cash payment (payment date)	\$250,000 prior to the 1 st year anniversary of the effective date
Reimburse \$13,130 (paid) of staking fees on the effective date	750,000 (37,500 issued) shares to be issued 4 months from the payment date	An additional \$500,000 prior to the 2 nd year anniversary of the effective date
	1,500,000 (75,000 issued) shares to be issued 8 months from payment date	A final \$2,250,000 prior to the 3 rd year anniversary of the effective date
	1,500,000 (75,000 issued) shares to be issued 12 months from payment date	
\$58,130	4,500,000 shares	\$3,000,000

The Optionors retain a 2% Net Smelter Return Royalty (“NSR”) on any commercial production from the Wing Shear Property. The Company has the right at any time to acquire 1.5% of the NSR for \$1,000,000.

The Company also paid \$4,500 cash, and issued 450,000 common shares valued at \$74,250 as finder’s fees for the Wing Shear Property.

5. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On January 31, 2021, the Company had 59,842,213 (April 30, 2020 – 45,614,715) common shares outstanding.

Share issuances

Share issuances during the nine month period ended January 31, 2021

On August 20, 2020, the Company issued 500,000 common shares with a fair value of \$50,000 pursuant to the Black Dog Agreement (Note 4).

Valorem Resources Inc.
Notes to the Condensed Interim Financial Statements
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5. SHARE CAPITAL (CONTINUED)

Share issuances (continued)

Share issuances during the nine month period ended January 31, 2021 (continued)

On August 24, 2020, the Company received and returned 150,000 common shares to treasury when the APA on the East Cortez Gold project was cancelled (Note 4).

On September 4, 2020, the Company closed a non-brokered private placement and issued 3,300,000 units of the Company at a price of \$0.10 per Unit for gross proceeds of \$330,000. Each Unit consists of one common share of the Company and one-half of one transferrable share purchase warrant. Each whole warrant is exercisable at \$0.15 until September 4, 2021. The share purchase warrants are subject to acceleration if the Company's common shares trade at \$0.30 per share for a period of 20 consecutive trading days.

The Company paid \$15,750 cash, and issued a total of 154,000 warrants with a fair value of \$10,342 as finder's fees for the September 4, 2020 private placement. The warrants are exercisable at \$0.15 per share, of which 101,500 of the warrants are exercisable until September 4, 2021, and the remaining 52,500 warrants are exercisable until September 4, 2022.

On November 9, 2020, the Company issued 300,000 shares with a fair value of \$39,000 to settle \$45,000 of consulting fees debt. As a result of the shares for debt settlement, the Company recognized a \$6,000 gain on settlement of debt.

On January 5, 2021, the Company issued 937,500 common shares with a fair value of \$228,938 pursuant to the Wing Shear Agreement. An additional 450,000 common shares with a fair value of \$74,250 were issued as finder's fees for the Wing Shear Property (Note 4).

On January 28, 2021, the Company completed the 1st tranche of a non-brokered private placement. The Company issued 8,889,998 units at \$0.10 per unit for gross proceeds of \$889,000. Each unit is comprised of one common share and one full transferable share purchase warrant. Each warrant is exercisable at \$0.13 per share until January 28, 2022.

Share subscription receivable

As at January 31, 2021, a \$21,688 share subscription was outstanding from the prior fiscal year (Note 11).

Share issuances during the year ended April 30, 2020

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.

Valorem Resources Inc.
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5. SHARE CAPITAL (CONTINUED)

Share issuances (continued)

Share issuances during the year ended April 30, 2020 (continued)

On October 25, 2019, the Company closed a non-brokered private placement 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. One 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. The Company paid \$15,000 in finder's fees in regards to this private placement.

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).

Share purchase warrants

The following is a summary of the Company's warrant activity:

	Number of warrants #	Weighted average exercise price \$
Balance, April 30, 2020	835,000	0.40
Issued	10,693,998	0.13
Balance, January 31, 2021	11,528,998	0.15

As of January 31, 2021, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price \$	Number of warrants
September 4, 2021**	0.15	1,751,500
September 4, 2022	0.15	52,500
January 28, 2022	0.13	8,889,998
October 25, 2024	0.40	835,000
		11,528,998

**1,650,000 of the September 4, 2021 warrants are subject to acceleration if the Company's common shares trade at \$0.30 per share for a period of 20 consecutive trading days.

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 January 31, 2021.

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6. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The following amounts are reported in accounts payable and accrued liabilities, and related party liabilities:

	January 31, 2021	April 30, 2020
Due to Director, and CEO	\$ 114,498	\$ 51,898
A company controlled by the CFO of the Company	101,415	33,975
Due to former Director, and CEO*	114,510	64,200
	\$ 330,423	\$ 150,073

*see subsequent event Note 11

The following are the transactions with related parties during the nine month periods ended January 31, 2021, and 2020, respectively:

	Nine month period ended January 31, 2021	Nine month period ended January 31, 2020
Consulting fees to Director, and CEO	\$ 72,000	\$ 26,500
Loan from Director, and CEO	-	3,148
Accounting and CFO fees to a company jointly controlled by Director, and CFO of the Company	70,000	14,925
Consulting fees to former Director, and CEO	66,000	39,000
	\$ 208,000	\$ 83,573

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions during the nine month period ended January 31, 2021 were as follows:

On August 20, 2020, the Company issued 500,000 common shares with a fair value of \$50,000 pursuant to the Black Dog Agreement (Note 4).

On October 31, 2020, a total of 154,000 warrants with a fair value of \$10,342 were issued as finder's fees for the September 4, 2020 private placement.

Valorem Resources Inc.

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(Expressed in Canadian dollars)

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (CONTINUED)

On November 9, 2020, the Company issued 300,000 shares with a fair value of \$39,000 to settle \$45,000 of consulting fees debt. As a result of the shares for debt settlement, the Company recognized a \$6,000 gain on settlement of debt.

On January 5, 2021, the Company issued 937,500 common shares with a fair value of \$228,938 pursuant to the Wing Shear Agreement. An additional 450,000 common shares with a fair value of \$74,250 were issued as finder's fees for the Wing Shear Property (Note 4).

During the comparative period ended January 31, 2020 the Company's significant non-cash transaction was as follows:

On January 24, 2020 the company issued 300,000 common shares pursuant to the asset purchase agreement for the East Cortez Gold project with a fair value of \$85,000 (Note 4).

8. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at January 31, 2021, all the Company's assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at January 31, 2021 was \$2,377,831 (April 30, 2020 – \$792,736). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended January 31, 2021.

10. FINANCIAL RISK MANAGEMENT

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statements of financial position. The Company's cash under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

i. 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 its liquid financial assets including cash. Management believes that its credit risk is not significant.

ii. Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. On January 31, 2021, the Company had a cash balance of \$87,380 (April 30, 2020 - \$4,712) to settle current liabilities of \$500,854 (April 30, 2020 - \$176,896). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through equity financing and loans from related parties over the coming year.

iii. Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

11. SUBSEQUENT EVENTS

Acquisition of BC Property

On February 12, 2021, the Company announced that it acquired the BC Property located in the Cariboo District of British Columbia. The BC Property is comprised of multiple tenure blocks totaling more than 4,000 hectares.

The Acquisition was effected by way of a three-cornered amalgamation involving a wholly-owned subsidiary of the Company and 1267818 B.C. Ltd. ("1267818"). Pursuant to the terms of the Acquisition, the Company issued an aggregate of 30,000,000 common shares of the Company to the shareholders of 1267818 at a deemed priced at \$0.155 per share.

Write-Off of Account Payable

On February 25, 2021, the Company's former Director and CEO agreed to writing-off \$114,510 of outstanding consulting fees.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

12. SUBSEQUENT EVENTS (CONTINUED)

Share Subscription Payment Received

On March 26, 2021, the Company received \$21,688 for an outstanding share subscription receivable.

Completed Private Placement

On March 26, 2021, the Company announced that it completed the second and final tranche of a non-brokered private placement. The Company issued 1,100,000 units of the Company at a price of \$0.115 per unit for gross proceeds of \$126,500. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of one year from closing at a price of \$0.15 per common share.