

VALOREM RESOURCES INC.

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended January 31, 2022 and 2021**

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Valorem Resources Inc. (“the Company”) for the nine months ended January 31, 2022 and 2021, have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Financial Position (Unaudited - Expressed in Canadian dollars)

	Notes	January 31, 2022 \$	April 30, 2021 (Audited) \$
ASSETS			
Current			
Cash		5,558	82,310
GST receivable		48,166	39,732
Prepaid expenses		-	552,429
TOTAL ASSETS		53,724	674,471
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	645,112	279,305
Related party liabilities	6	235,400	139,998
Loan payable	4,6	100,000	100,000
TOTAL LIABILITIES		980,512	519,303
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	8,637,878	7,722,748
Contributed surplus	5	2,150,931	759,614
Deficit		(11,715,597)	(8,327,194)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(926,788)	155,168
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		53,724	674,471

Nature of operations – Note 1

Subsequent events – Note 12

Approved on behalf of the Board of Directors on April 1, 2022:

“Tony Louie”

Director

“Drew Brass”

Director

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

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited – Expressed in Canadian dollars)

	Notes	For the three months ended January 31, 2022 \$	For the three months ended January 31, 2021 \$	For the nine months ended January 31, 2022 \$	For the nine months ended January 31, 2021 \$
EXPENSES					
Acquisition and exploration expenditures	3	256,726	14,350	1,106,665	15,679
Consulting fees	6	29,886	150,009	88,266	258,001
Insurance		2,777	4,179	8,333	7,655
Office and miscellaneous (recovery)		1,204	192	2,951	(222)
Professional fees	6	13,521	34,500	182,885	81,500
Promotion		77,820	162,864	579,046	333,981
Registration and filing fees		-	-	767	-
Share-based compensation	5	-	-	1,396,582	-
Shareholder communications		-	-	8,480	-
Transfer agent fees		3,380	2,432	19,237	14,801
Travel and promotion		-	-	332	-
Website		-	-	124	4,379
Loss before other item		(385,314)	(368,526)	(3,393,668)	(715,774)
Gain on settlement of debt		-	6,000	-	6,000
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD					
		(385,314)	(362,526)	(3,393,668)	(709,774)
Basic and diluted loss per share for the period		(0.00)	(0.01)	(0.04)	(0.01)
Weighted average number of common shares outstanding		96,996,530	50,217,378	95,267,512	47,923,934

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

Valorem Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Expressed in Canadian dollars)

	For the nine months ended January 31, 2022 \$	For the nine months ended January 31, 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(3,393,668)	(709,774)
Items not affecting cash:		
Acquisition and exploration expenditures - shares issued for acquisition	694,625	-
Gain on settlement of debt	-	(6,000)
Share-based compensation	1,396,582	-
Net changes in non-cash working capital accounts		
Increase in GST receivable	(8,434)	(32,512)
Decrease (increase) in prepaid expenses	552,429	(643,623)
Increase in accounts payable and accrued liabilities	365,807	125,977
Increase in related party liabilities	95,402	180,350
Net cash used in operating activities	(297,257)	(1,085,582)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	220,505	1,219,000
Share issue costs	-	(15,750)
Net cash provided by financing activities	220,505	1,203,250
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation expenditures	-	(35,000)
Net cash used in investing activity	-	(35,000)
Change in cash during the period	(76,752)	82,668
Cash, beginning of the period	82,310	4,712
CASH, END OF THE PERIOD	5,558	87,380

Note 7 – Supplemental disclosures with respect to cash flows.

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	Number of Common Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, April 30, 2020	45,614,715	792,736	264,314	(1,183,708)	(126,658)
Shares 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 acquisition and exploration expenditures	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, January 31, 2021	59,842,213	2,377,831	274,656	(1,893,482)	759,005
Balance, April 30, 2021	92,267,813	7,722,748	759,614	(8,327,194)	155,168
Shares issued for exercised warrants	1,688,500	220,505	-	-	220,505
Shares issued for acquisition and exploration expenditures	4,062,500	694,625	-	-	694,625
Expiry of finder's warrants	-	-	(5,265)	5,265	-
Share-based compensation	-	-	1,396,582	-	1,396,582
Net loss for the period	-	-	-	(3,393,668)	(3,393,668)
Balance, January 31, 2022	98,018,813	8,637,878	2,150,931	(11,715,597)	(926,788)

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

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Valorem Resources 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, and on September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. The Company is a publicly listed company on the Canadian Stock Exchange (“CSE”), trading under the symbol “VALU.”

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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of Compliance to International Financial Reporting Standards

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. These condensed interim consolidated 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 consolidated financial statements for the year ended April 30, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared following the same accounting policies applied to the Company’s audited April 30, 2021 consolidated financial statements. As at January 31, 2022, there is no change in the Company’s significant account policies, and significant accounting judgements, estimates and assumptions unless otherwise noted.

Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. The following companies have been consolidated within these financial statements:

Entity	Country of Incorporation	Voting Control	Functional Currency
Valorem Resources Inc.	Canada	Parent Company	Canadian dollar
1267818 BC Ltd.	Canada	100%	Canadian dollar
1161097 BC Ltd.	Canada	100%	Canadian dollar

Basis of Measurement

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

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

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

Going Concern Assumption

These condensed interim consolidated 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 BC Cariboo Property, Black Dog Lake Project, and Wings Shear Property and it has not yet determined whether the mineral properties contain reserves that are economically recoverable. As at January 31, 2022, the Company had not advanced any properties to commercial production. During the nine months ended January 31, 2022, the Company incurred a net loss and comprehensive loss of \$3,393,668 (2021 - \$709,774) and, as of that date, had a deficit of \$11,715,597 (April 30, 2021 - \$8,327,194) and working capital (deficiency) of (\$926,788) (April 30, 2021 - \$155,168). 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.

These condensed interim consolidated 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.

3. ACQUISITION AND EXPLORATION EXPENDITURES

Acquisition and exploration expenditures for the nine months ended January 31, 2022 are as follows:

	Black Dog Lake Project	Wings Shear Property	Total Costs
Acquisition costs	\$ 162,500	\$ 577,125	\$ 739,625
Assays	-	2,318	2,318
Camp costs	1,173	-	1,173
Claim staking and renewals	4,774	-	4,774
Demobilization	7,945	-	7,945
Equipment rental	1,350	43,540	44,890
Field expenditures	5,002	4,125	9,127
Field personnel	9,863	66,625	76,488
Geological	17,585	68,785	86,370
Geophysical	54,501	-	54,501
Line-cutting	1,500	-	1,500
Mobilization	7,945	-	7,945
Sampling	2,000	61,687	63,687
Transportation	500	5,822	6,322
Total acquisition and exploration expenditures, January 31, 2022	\$ 276,638	\$ 830,027	\$ 1,106,665

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

3. ACQUISITION AND EXPLORATION EXPENDITURES (CONTINUED)

BC Cariboo Property, British Columbia

On February 12, 2021, the Company issued 30,000,000 common shares with a fair value of \$5,100,000 to the shareholders of 1267818 in exchange for all of the issued and outstanding shares of 1267818. The primary asset held by 1267818 was the BC Cariboo property.

The BC Cariboo property comprises multiple tenure blocks totaling more than 4,000 hectares and is comprised of three claim groups, the East, Central, and West. The property strategically targets the Transitional or Basalt Siltstone of the Barkerville Terrain located in the Cariboo District, British Columbia.

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 was comprised of 16 contiguous mineral claims, located in the James Bay region, Quebec. The Company staked an additional 9 claims thereby increasing the Black Dog Lake Gold property to 25 claims covering a total of 1,319.4 hectares.

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 due within 5 business days of the effective date (paid)	500,000 shares (issued at a fair value of \$50,000) and due upon execution of the Black Dog Agreement	\$NIL
\$45,000 due on 1 st anniversary date of the effective date (paid)	500,000 shares (issued at a fair value of \$117,500) 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 (obligation fulfilled)
\$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. On November 18, 2021, the Company filed an updated 43-101 which does not declare a proven reserve, therefore the Company is not yet obligated to issue the additional 1,000,000 shares to the Optionors.

Wings Shear Property, Newfoundland and Labrador

On January 4, 2021, the Company entered into a mineral property option agreement (the “Wings Shear Agreement”), to acquire a 100% interest in the Wings 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 Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

3. ACQUISITION AND EXPLORATION EXPENDITURES (CONTINUED)

Wings Shear Property, Newfoundland and Labrador

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

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum exploration requirements
\$45,000 (paid) within 5 business days from the effective date	750,000 shares (issued at fair value of \$123,750) 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 (incurred)
Reimburse \$13,130 (paid) of staking fees on the effective date	750,000 shares to be issued 4 months from the payment date (37,500 shares issued at fair value of \$6,188 in prior fiscal year and 712,500 shares issued at fair value of \$306,375 in current fiscal year)	An additional \$500,000 prior to the 2 nd year anniversary of the effective date
	1,500,000 shares (75,000 shares issued at fair value of \$12,375 issued in prior fiscal year and 1,425,000 issued at fair value of \$206,625 in current fiscal year) 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 shares (75,000 shares issued at fair value of \$12,375 in prior fiscal year and 1,425,000 issued at a fair value of \$64,125 in current fiscal year) 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 Wings 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 Wings Shear Property.

4. LOAN PAYABLE

On February 12, 2021, the Company assumed debt of \$100,000 owed to a Director of the Company’s subsidiary. The loan is non-interest bearing, unsecured and due on demand. As at January 31, 2022, the full amount of \$100,000 is outstanding.

5. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On January 31, 2022 the Company had 98,018,813 (April 30, 2021 – 92,267,813) common shares outstanding.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

Share issuances

Share issuances during the nine months ended January 31, 2022

On May 5, 2021, the Company issued 712,500 common shares with a fair value of \$306,375 pursuant to the Wings Shear Agreement (Note 3).

On August 4, 2021, the Company issued 500,000 common shares with a fair value of \$117,500 pursuant to the Black Dog Agreement (Note 3).

On September 3, 2021, the Company issued 1,425,000 common shares with a fair value of \$206,625 pursuant to the Wings Shear Agreement (Note 3).

On January 5, 2022, the Company issued 1,425,000 common shares with a fair value of \$64,125 pursuant to the Wings Shear Agreement (Note 3).

During the nine months ended January 31, 2022, the Company received a total of \$220,505 from the exercise of 1,688,500 warrants.

Share issuances during the nine months 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.

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.

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 consisted of one common share of the Company and one-half of one transferrable share purchase warrant. Each whole warrant was 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 were 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.

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 was comprised of one common share and one full transferable share purchase warrant. Each warrant was exercisable at \$0.13 per share until January 28, 2022.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

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. Options granted under the plan have a maximum term of ten years and typically vest on the grant or at terms to be determined by the directors at the time of grant.

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

	Number of stock options	Weighted average exercise price \$
Balance, April 30, 2020	-	-
Granted	2,250,000	0.22
Balance, April 30, 2021	2,250,000	0.22
Granted	4,700,000	0.29
Balance, January 31, 2022	6,950,000	0.27

As of January 31, 2022, the Company had stock options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Number of stock options	Exercise Price \$
April 21, 2026	2,250,000	0.22
May 27, 2026 (See Note 12)	4,700,000	0.29
	6,950,000	

On May 27, 2021, the Company granted 4,700,000 stock options to two directors, an officer, and a former director. Each option is exercisable at \$0.29 per share until May 27, 2026. All of the options vested upon date of grant. The estimated fair value of the options was \$1,396,582 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.30; exercise price - \$0.29; expected life - 5 years; volatility - 516%; dividend yield - \$0; and risk-free rate - 0.90%.

The weighted average remaining contractual life of the stock options outstanding at January 31, 2022 is 4.29 years.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

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	11,793,998	0.16
Exercised	(1,325,600)	0.15
Balance, April 30, 2021	11,303,398	0.15
Expired	(7,679,898)	0.13
Exercised	(1,688,500)	0.13
Balance, January 31, 2022	1,935,000	0.26

As of January 31, 2022, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Number of warrants	Exercise Price \$
October 25, 2024	835,000	0.40
March 26, 2022 (See Note 12)	1,100,000	0.15
	1,935,000	

On September 4, 2021, 350,000 share purchase warrants and 78,400 finder's warrants with an exercise price of \$0.15 per share expired without being exercised. On expiry of the finder's warrants, the Company transferred \$5,265 recorded in contributed surplus to deficit relating to the fair value of the finder's warrants.

On January 28, 2022, 7,251,498 share purchase warrants with an exercise price of \$0.13 per share expired unexercised.

6. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Certain key management personnel provide services through companies that they control. The following 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, which are unsecured and non-interest bearing, are reported in accounts payable and accrued liabilities, and related party liabilities:

	January 31, 2022 \$	April 30, 2021 \$
Due to Director and Interim CEO	217,300	139,998
Due to CFO	18,100	-
A company controlled by the former CFO of the Company*	82,215	108,215
	317,615	248,213

*Amounts are included in accounts payable and accrued liabilities

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Loan Payable

On February 12, 2021, the Company assumed debt of \$100,000 owed to a former Director of the Company's subsidiary, 1267818 B.C. Ltd. The debt is non-interest bearing, unsecured and due on demand (Note 4).

The following are the transactions with related parties during the nine months ended January 31, 2022, and 2021:

	Nine months ended January 31, 2022 \$	Nine months ended January 31, 2021 \$
Consulting fees to Director and Interim CEO	85,500	72,000
Professional fees to CFO	18,000	-
Accounting and professional fees to a company jointly controlled by former Director and former CFO of the Company	-	70,000
Consulting fees to former Director and CEO	-	66,000
	103,500	208,000

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions during the nine month period ended January 31, 2022 were as follows:

On May 5, 2021, the Company issued 712,500 common shares with a fair value of \$306,375 pursuant to the Wings Shear Agreement.

On August 4, 2021, the Company issued 500,000 common shares with a fair value of \$117,500 pursuant to the Black Dog Agreement.

On September 3, 2021, the Company issued 1,425,000 common shares with a fair value of \$206,625 pursuant to the Wings Shear Agreement.

On January 5, 2022, the Company issued 1,425,000 common shares with a fair value of \$64,125 pursuant to the Wings Shear Agreement.

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.

On August 24, 2020, the Company received and returned 150,000 common shares with a fair value of \$11,250 to treasury when the APA on the East Cortez Gold project was cancelled.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

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

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

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.

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 \$154,688 pursuant to the Wings Shear Agreement. An additional 450,000 common shares with a fair value of \$74,250 were issued as finder's fees for the Wing Shears Property.

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, 2022, 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 aforementioned exploration and evaluation work will require additional financial resources. 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 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 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, 2022.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

i. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and other receivables. The Company's cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high-quality financial institution as determined by rating agencies. Management believes that its credit risk is not significant.

Valorem Resources Inc.

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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. On January 31, 2022, the Company had a cash balance of \$5,558 (April 30, 2021 - \$82,310) to settle current liabilities of \$980,512 (April 30, 2021 - \$519,303). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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.

iv. Currency Risk

The Company currently has minimal foreign exchange risk as it conducts the majority of its business within Canada and in Canadian dollars.

v. Interest Rate Risk

The Company is not currently exposed to significant interest rate risk.

11. COVID-19 PANDEMIC

In March 2020, the World Health Organization declared, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a pandemic. This has resulted in governments worldwide enacting emergency measures to limit the spread of the virus, including closure of non-essential businesses. As of the date of this report, the majority of the Company's operations are considered essential in all jurisdictions in which the Company operates. As such, to date the Company has been able to continue operating with no material impact to operations.

There have been no material revisions to the nature and number of estimates and judgments made in respect of the Company's consolidated financial statements of prior periods. However, the effects of COVID-19 have required significant judgements and estimates to be made in the preparation of the Company's condensed interim consolidated financial statements.

Additionally, the effects of COVID-19 may require revisions to estimates of expected credit losses attributed to accounts receivable. To date no revisions to managements' estimates and judgements used in the preparation of the Company's condensed interim consolidated financial statements have been necessary.

Due to rapid developments and uncertainty surrounding COVID-19 or the possible ending of COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's operations or financial results in the future, its suppliers, and its customers. Additionally, it is possible the Company's operations and consolidated financial results will change in the near term as a result of COVID-19 or the ending of COVID-19.

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12. SUBSEQUENT EVENTS

Expired stock options

On February 16, 2022, 300,000 stock options exercisable at \$0.29 per share expired unexercised.

Expired warrants

On March 26, 2022, 1,100,000 warrants exercisable at \$0.15 per share expired unexercised.