

VALOREM RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed interim financial statements of Valorem Resources Inc. have been prepared by and are the responsibility of management.

These unaudited condensed interim financial statements for the three months ended July 31, 2022 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Financial Position

As at July 31, 2022 and April 30, 2022

(Audited – Expressed in Canadian dollars)

As at,	Notes	July 31, 2022 (unaudited) \$	April 30, 2022 (audited) \$
ASSETS			
Current			
Cash		30,502	56,040
GST receivable		1,605	722
Acquisition deposit	3	355,678	-
TOTAL ASSETS		387,785	56,762
LIABILITIES			
Current			
Accounts payable and accrued liabilities		635,119	704,361
Related party liabilities	7	304,400	274,900
Loan payable	5	559,740	100,000
TOTAL LIABILITIES		1,499,259	1,079,261
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	8,637,878	8,637,878
Contributed surplus	6	2,061,787	2,061,787
Deficit		(11,811,139)	(11,722,164)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(1,111,474)	(1,022,499)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		387,785	56,762

Nature of operations – Note 1

Going concern assumption – Note 2

Exploration and evaluation assets – Note 4

Subsequent event – Note 12

Approved on behalf of the Board of Directors on September 9, 2022:

“Tony Louie” Director

“Drew Brass” Director

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

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three-month period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	Notes	2022	2021
		\$	\$
EXPENSES			
Acquisition and exploration expenditures	4	-	429,087
Consulting fees	7	28,500	28,600
Insurance		2,778	2,778
Interest expense	5	9,740	-
Office and miscellaneous		1,715	10,011
Professional fees	7	40,499	100,566
Promotion		-	265,254
Registration and filing fees		2,268	672
Share-based compensation	6	-	1,396,582
Transfer agent fees		3,475	4,868
Net loss for the period		(88,975)	(2,238,418)
Basic and diluted loss per share for the period		(0.03)	(0.84)
Weighted average number of common shares outstanding		2,800,479	2,658,372

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

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the three month period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(88,975)	(2,238,418)
Items not affecting cash:		
Interest expense	9,740	-
Share-based compensation	-	1,396,582
Acquisition of exploration and evaluation assets	-	306,375
Net changes in non-cash working capital accounts		
Decrease (increase) in GST receivable	(883)	22,127
Decrease (increase) in prepaid expenses	(355,678)	303,355
Increase (decrease) in accounts payable and accrued liabilities	(69,242)	80,130
Increase in related party liabilities	29,500	26,402
Net cash used in operating activities	(475,538)	(103,447)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	450,000	-
Proceeds from issuance of common shares	-	21,800
Net cash provided by financing activities	450,000	21,800
Change in cash during the period	(25,538)	(81,647)
Cash, beginning of the year	56,040	82,310
CASH, END OF THE PERIOD	30,502	663

Supplemental disclosures with respect to cash flows – Note 8

Valorem Resources Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	Number of Common Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, April 30, 2021	2,636,223	7,722,748	759,614	(8,327,194)	155,168
Shares issued for exercised warrants	4,571	21,800	-	-	21,800
Shares issued for acquisition and exploration expenditures	20,357	306,375	-	-	306,375
Share-based compensation	-	-	1,396,582	-	1,396,582
Net loss for the period	-	-	-	(2,238,418)	(2,238,418)
Balance, July 31, 2021	2,661,151	8,050,923	2,156,196	(10,565,612)	(358,493)
Balance, April 30, 2022	2,800,479	8,637,878	2,061,787	(11,722,164)	(1,022,499)
Net loss for the period	-	-	-	(88,975)	(88,975)
Balance, July 31, 2022	2,800,479	8,637,878	2,061,787	(11,811,139)	(1,111,474)

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

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended July 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” and on the Frankfurt Stock Exchange under the symbol “1XW1”.

The head office and principal address is 2380 – 1055 West Hasting Street, Vancouver, British Columbia, V6E 2E9. The registered and records office of the Company is located at 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

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 is 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, 2022, 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, 2022 consolidated financial statements. As at July 31, 2022, there is no change in the Company’s significant account policies, and significant accounting judgements, estimates and assumptions unless otherwise noted.

The condensed interim consolidated financial statements of the Company as at July 31, 2022 were approved and authorized for issue by the Board of Directors on September 9, 2022.

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
1286492 BC Ltd.	Canada	100%	Canadian dollar
1156219 BC Ltd.	Canada	100%	Canadian dollar

Basis of Measurement

These condensed interim consolidated financial 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 period ended July 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 July 31, 2022, the Company had not advanced any properties to commercial production. During the period ended July 31, 2022, the Company incurred a net loss and comprehensive loss of \$88,975 (2021 - \$2,238,418) and, as of that date, had a deficit of \$11,811,139 (2022 - \$11,722,164) and working capital deficiency of 1,111,474 (2021 - \$1,022,499). 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.

Significant Accounting Policies

In preparing these unaudited condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended April 30, 2022, with exception to the new accounting policies adopted by the Company discussed below.

The preparation of the unaudited condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated 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 consolidated 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 consolidated financial statements are discussed below:

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

3. NON-BINDING LETTER OF INTENT

During the period ended July 31, 2022, the Company entered into a non-binding Letter of Intent (“LOI”) to acquire 100% of Regency Mining Limited (“Regency”), a private corporation existing under the laws of Seychelles. As consideration, the Company has agreed to pay or issue the following:

- A refundable cash payment of US \$150,000, which is refundable within 30 days if the LOI is terminated (paid);
- A cash payment of US \$250,000 on or prior to July 31, 2022 (US \$125,000 paid);
- A cash payment of US \$100,000 upon execution of a Definitive Agreement; and,
- Issue 45,714 common shares.

4. ACQUISITION AND EXPLORATION EXPENDITURES

During the three-month period ended July 31, 2022, the Company did not incur any acquisition or exploration expenditures.

Cumulative acquisition and exploration expenditures for the period ended April 30, 2022 were:

	Black Dog Lake Project	Wings Shear Property	Total Costs
	\$	\$	\$
Acquisition costs:			
Additions - 2022	162,500	577,125	739,625
Acquisition costs April 30, 2022	162,500	577,125	739,625
Exploration expenditures:			
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	66,785	84,370
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
Exploration expenditures up to April 30, 2022	114,138	250,902	365,040
Total acquisition and exploration expenditures April 30, 2022	276,638	828,027	1,104,665

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

4. ACQUISITION AND EXPLORATION EXPENDITURES

Cumulative acquisition and exploration expenditures for the period ended July 31, 2021 were as follows:

	Black Dog Lake Project	Wings Shear Property	Total Costs
Acquisition costs	-	306,375	306,375
Camp costs	1,477	-	1,477
Demobilization	6,945	-	6,945
Equipment rental	1,350	15,275	16,625
Field expenditures	360	1,330	1,690
Field personnel	-	15,525	15,525
Geological	5,600	27,215	32,815
Geophysical	20,075	-	20,075
Line-cutting	2,534	-	2,534
Mobilization	6,945	-	6,945
Sampling	7,606	10,475	18,081
Total acquisition and exploration expenditures, July 31, 2021	52,892	376,195	429,087

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.

BC Cariboo Property, British Columbia

On February 12, 2021, the Company issued 85,714 common shares with a fair value of \$5,100,000 to the shareholders of 1286492 BC in exchange for all of the issued and outstanding shares of 1286492 BC. The primary asset held by 1286492 BC 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.

As of Auditor's Report date, the BC Cariboo claims were forfeited.

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.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

4. ACQUISITION AND EXPLORATION EXPENDITURES (CONTINUED)

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)	14,286 shares (issued at a fair value of \$50,000) and due upon execution of the Black Dog Agreement	SNIL
\$45,000 due on 1 st anniversary date of the effective date (paid)	14,286 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	21,429 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	28,571 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	78,572 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 28,571 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 28,571 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.

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	21,429 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	21,429 shares to be issued 4 months from the payment date (1,071 shares issued at fair value of \$6,188 in prior fiscal year and 20,357 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
	42,857 shares (2,143 shares issued at fair value of \$12,375 issued in prior fiscal year and 40,714 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
	42,857 shares (2,143 shares issued at fair value of \$12,375 in prior fiscal year and 40,714 issued at a fair value of \$64,125 in current fiscal year) to be issued 12 months from payment date	
\$58,130	128,571 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 12,857 common shares valued at \$74,250 as finder’s fees for the Wings Shear Property.

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

4. ACQUISITION AND EXPLORATION EXPENDITURES (CONTINUED)

Wings Shear Property, Newfoundland and Labrador (continued)

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 until 2020. The Blue Hawk property was sold in 2021 for a nominal amount of \$500.

5. LOAN PAYABLE

On February 12, 2021, the Company assumed debt of \$100,000 owed to a former Director of the Company's subsidiary. The loan is non-interest bearing, unsecured and due on demand (Note 4). As at April 30, 2022, the full amount of \$100,000 is outstanding.

On May 14, 2022, the Company entered into a Loan Agreement (the "Loan Agreement") with K2 Principal Fund L.P (the "Lender"), whereby the Lender advanced \$450,000 (the "Loan") to the Company. The Loan bears interest of 10% per annum, is unsecured and is due on November 15, 2022. During the period ended July 31, 2022, the Company recorded an interest expense of \$9,740 (2021 - \$Nil).

6. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On July 31, 2022, the Company had 2,800,479 (April 30, 2022 – 2,800,479) common shares outstanding.

Share Consolidation

Effective July 22, 2022, the Company consolidated the common shares of the Company on the basis of thirty-five (35) pre-consolidation shares for one (1) post-consolidation share.

During the period ended July 31, 2022, the Company did not issue any common shares.

Share issuances

Share issuances during the year ended April 30, 2022

On May 5, 2021, the Company issued 20,357 common shares with a fair value of \$306,375 pursuant to the Wings Shear Agreement (Note 4).

On August 4, 2021, the Company issued 14,286 common shares with a fair value of \$117,500 pursuant to the Black Dog Agreement (Note 4).

On September 3, 2021, the Company issued 40,714 common shares with a fair value of \$206,625 pursuant to the Wings Shear Agreement (Note 4).

On January 5, 2022, the Company issued 40,714 common shares with a fair value of \$64,125 pursuant to the Wings Shear Agreement (Note 4).

During the year ended April 30, 2022, the Company received a total of \$220,505 from the exercise of 48,243 warrants.

6. SHARE CAPITAL (CONTINUED)

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended July 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

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, 2021	64,286	7.70
Granted	134,286	10.15
Forfeited	(8,572)	(10.15)
Balance, April 30, 2022	190,000	9.32
Expired	(7,143)	(7.70)
Balance, July 31, 2022	182,857	9.38

As of July 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	57,143	7.70
May 27, 2026	125,714	10.15
	182,857	9.32

On May 27, 2021, the Company granted 125,714 stock options to three directors and an officer. Each option is exercisable at \$10.15 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 \$10.50; exercise price - \$10.15; expected life - 5 years; volatility - 516%; dividend yield - \$0; and risk-free rate - 0.90%.

Share purchase warrants

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

	Number of warrants	Weighted average exercise price \$
Balance, April 30, 2021	322,954	5.25
Expired	(250,854)	(4.55)
Exercised	(48,243)	(4.55)
Balance, April 30, 2022 and July 31, 2022	23,857	14

As of July 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	23,857	14

Valorem Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

7. 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:

	2022	2021
	\$	\$
Due to Director and Interim CEO	274,300	160,300
Due to CFO**	30,100	6,100
A company controlled by the former CFO of the Company*	82,215	82,215
	386,615	248,615

*Amounts are included in accounts payable and accrued liabilities

**On April 30, 2021, the Company entered into a consulting service agreement with the CFO, whereby the Company agreed to pay \$2,000 per month for consulting services.

The following are the transactions with related parties during the period ended July 31, 2022, and 2021:

Consulting fees to Director and Interim CEO	28,500	28,500
Professional fees to CFO	6,000	6,000
	34,500	34,500

Loan Payable

On February 12, 2021, the Company assumed debt of \$100,000 owed to a former Director of the Company's subsidiary, 1286492 B.C. Ltd. The debt is non-interest bearing, unsecured and due on demand (Note 5).

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

As at July 31, 2022, the Company did not pay any income tax or interest.

Significant non-cash transactions during the three months ended July 31, 2021

On May 5, 2021, the Company issued 20,357 common shares with a fair value of \$306,375 pursuant to the Wings Shear Agreement.

9. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at July 31, 2022, all the Company's assets are located in Canada.

10. 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 year ended April 30, 2022.

Valorem Resources Inc.

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(Unaudited - Expressed in Canadian dollars)

11. 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 institutions as determined by rating agencies. Management believes that its credit risk is not significant.

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 July 31, 2022, the Company had a cash balance of \$30,502 (2022 - \$56,040) to settle current liabilities of \$1,499,259 (2022 - \$1,079,260). 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 has a \$450,000 loan payable with a fixed interest rate. The Company is not currently exposed to significant interest rate risk.

12. SUBSEQUENT EVENT

On August 30, 2022, the Company arranged a non-brokered private placement ("Private Placement") of up to 15,625,000 units (each, a "Unit") at a price of \$0.16 per Unit for gross proceeds of up to \$2,500,000. Each Unit consists of one common share and one warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share for a period of two years from the closing date at an exercise price of \$0.21.

On September 2, 2022, the Company closed the first tranche of its Private Placement announced on August 30, 2022, and issued 2,887,500 Units at a price of \$0.16 per unit for gross proceeds of \$462,000. The Company paid \$2,500 cash finder's fee.