

## Form 62-103F1

### *Required Disclosure under the Early Warning Requirements*

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

#### **Item 1 – Security and Reporting Issuer**

##### **1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Security Designation: common shares

Issuer: Valorem Resources Inc (the “issuer”, “VALU”)  
810 -789 West Pender Street  
Vancouver, B.C, V6C 1H2

##### **1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The closing of the third tranche of the private placement financing occurred on October 7, 2022.

#### **Item 2 – Identity of the Acquiror**

##### **2.1 State the name and address of the acquiror.**

K2 & Associates Investment Management Inc. (“K2 & Associates”)  
2 Bloor Street West  
Suite 801  
Toronto, Ontario  
M4W 3E2

K2 & Associates is an Ontario based hedge fund whom is the manager to The K2 Principal Fund L.P.

The K2 Principal Fund L.P. (the “Partnership”)  
2 Bloor Street West  
Suite 801  
Toronto, Ontario  
M4W 3E2

The Partnership was formed under the laws of the Province of Ontario. The Partnership is engaged in the business of investing in securities.

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On October 7, 2022, the Issuer closed the third tranche of units in a private placement. K2 purchased a total of 1,562,500 units of the issuer at \$0.16 per unit for a total cost of CDN \$250,000. Each unit consists of one common share of the issuer and one share purchase warrant. Each warrant entitles the holder to purchase one additional Share of VALU at a price of CDN \$0.21 per share for a period of two years. The common shares and any shares that may be issuable on exercise of the warrants are subject to a statutory hold period expiring on February 8, 2023.

**2.3 State the names of any joint actors.**

Not Applicable.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s security holding percentage in the class of securities.**

K2 purchased a total of 1,562,500 units of the issuer at \$0.16 per unit for a total cost of CDN \$250,000. Each unit consists of one common share of the issuer and one share purchase warrant. Each warrant entitles the holder to purchase one additional Share of VALU at a price of CDN \$0.21 per share for a period of two years. The common shares and any shares that may be issuable on exercise of the warrants are subject to a statutory hold period expiring on February 8, 2023.

Prior to the closing of the financing, K2 did not hold a position in VALU. After the financing K2 owned a total of 1,562,500 common shares and 1,562,500 warrants. If the warrants were fully exercised K2 would own approximately 14.50% on a partially diluted basis.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

The Partnership acquired shares and warrants.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

No.

**3.4 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Prior to the closing of the financing, K2 did not hold a position in the issuer. After the financing K2 owned a total of 1,562,500 common shares and 1,562,500 warrants. If the warrants were fully exercised K2 would own approximately 14.50% on a partially diluted basis.

**3.5 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

The Partnership, together with K2 & Associates, as manager, have ownership and control over 1,562,500 common shares, and 1,562,500 warrants. Each warrant entitles the holder to purchase one additional Share of VALU at a price of CDN \$0.21 per share for a period of two years. If the warrants were fully exercised K2 would own approximately 14.50% on a partially diluted basis

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's security holdings.**

Not applicable.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities**

**or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

K2 purchased a total of 1,562,500 units of the issuer at \$0.16 per unit for a total cost of CDN \$250,000. Each unit consists of one common share of the company and one share purchase warrant. Each warrant entitles the holder to purchase one additional Share of VALU at a price of CDN \$0.21 per share for a period of two years.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

The units were purchased through a private placement.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The Partnership may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over, or exercise its current rights to acquire, common shares or other securities of the issuer through market transactions, private agreements or otherwise. Depending on its assessment of these conditions, the Partnership may change its present intentions as stated above.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees**

**of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: November 11, 2022

The K2 Principal Fund L.P., by its general partner

K2 Genpar 2017 Inc.

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Name: Todd Sikorski

Title: President of K2 & Associates, the fund manager to The K2 Principal Fund L.P.