



Annual Report 2019

Baffin Gold Property

QIA Land Use Licence Number: Q17L3020
CIRNAC Land Use Permit Number: N2017C0010
Nunavut Impact Review Board File Number: 04EN022



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Prepared by:



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CORPORATE BACKGROUND AND GENERAL INFORMATION

ValOre Metals Corporation (ValOre or the Company) (formerly Kivalliq Energy Corporation) is a Vancouver-based exploration company that has been operating in Nunavut since 2008. Its flagship project is the Angilak Property in the Kivalliq region.

Upon acquisition of the Baffin Gold Property (the Property or the Project), Kivalliq Energy recognized the need to change its name to better reflect its varied and multi-commodity projects across Nunavut and elsewhere. On June 28, 2018 Kivalliq Energy Corporation officially changed their name to ValOre Metals Corporation.

ValOre Metals Corporation's management has extensive background working in Canada's north and Nunavut. Jim Paterson is the Chief Executive Officer and Chairman of the Company's board of directors; Robert J. Scott is Chief Operating Officer. The group is committed to the social and economic development of the north while maintaining a level of excellence in minimizing environmental impacts.

PROPERTY DESCRIPTION AND LOCATION

The Baffin Gold Property, situated on Baffin Island in the Qikiqtani Region of Nunavut, is located 260 kilometres southwest of Clyde River and 360 kilometres northwest of Qikiqtarjuaq. The Property currently comprises a total area of 352,760.9 hectares and measures approximately 120 kilometres in an east-west direction by approximately 30 kilometres north-south. The Property is bound between Latitudes 68°45' and 68°22' North and Longitudes 70°30' and 73°30' West, (North American Datum 1983 (NAD83), Universal Transverse Mercator (UTM) Zone 19 coordinates: 7,585,500mN to 7,628,500mN and 315,000mE to 440,000mE) and is within the 1:50:000 National Topographic (NTS) map sheets 027 B/05, B/11, B/12 and 037 A/07, A/08, A/09 and A/10. Figure 1 illustrates the Baffin Gold Property Location.

The Baffin Gold Property was acquired by the Company in early 2017. The Property is currently comprised of 13 prospecting permits (P-64 to P-73 and P-75) issued by Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) on February 1, 2017, and two Mineral Exploration Agreements (MEA's) with Nunavut Tunngavik Inc. (NTI) on Inuit Owned Land (IOL) subsurface parcel BI-35 (BI-35 16-0001 BAFFIN GOLD (Segments 1 and 2) and MEA BI-35 16-0001 FOXE. **Appendix A** presents the detailed descriptions of the current Baffin Gold Property land tenure.

On the east side of the Property, prospecting permits P-64, P-65, P-67 and P-68 overlap with IOL surface parcel BI-34 and the northwest corner of prospecting permit P64 also overlaps a portion of IOL surface parcel BI-36. Figure 2 illustrates the current Baffin Gold Property land tenure.

As part of the consolidation of mineral tenure that comprises the Baffin Gold Property, the Company exercised an option from Commander Resource Ltd (Commander) to earn a 100% interest in mineral rights held by Commander that included 6 mineral claims on Crown land (which have since lapsed) and MEA BI-35 16-0001 BAFFIN GOLD (Segments 1 and 2) on IOL.

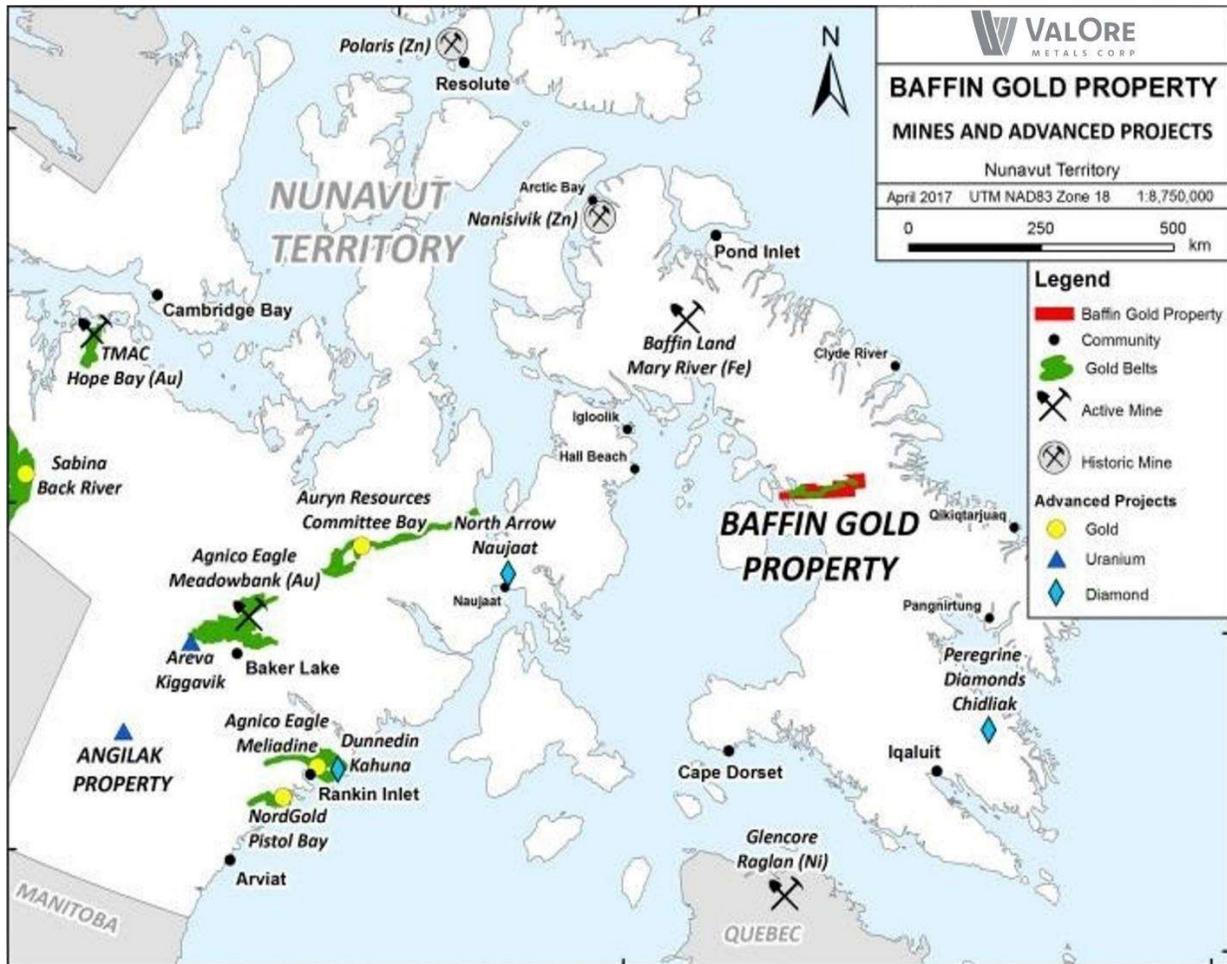


Figure 1: Baffin Gold Property Location

Land use permits enabling exploration work to be conducted on the Property have been issued by the Qikiqtani Inuit Association (QIA) for parts of the Property covering IOL and by CIRNAC for Crown Lands. As no water has been required for exploration activities conducted to date, a Nunavut Water Board (NWB) licence has not been required. Table 1 lists the permits and licences issued to ValOre for activities at the Baffin Gold Property. QIA Licence Q17L3020 expired on June 1, 2019 and a renewal application is currently being prepared.

Table 1: 2019 Land Use Permits and Licences

Issuing/Screening Agency	Date Issued	File Number
QIA	June 1, 2017	Q17L3020
NIRB	April 1, 2004	04EN022
CIRNAC	July 5, 2017	N2017C0010

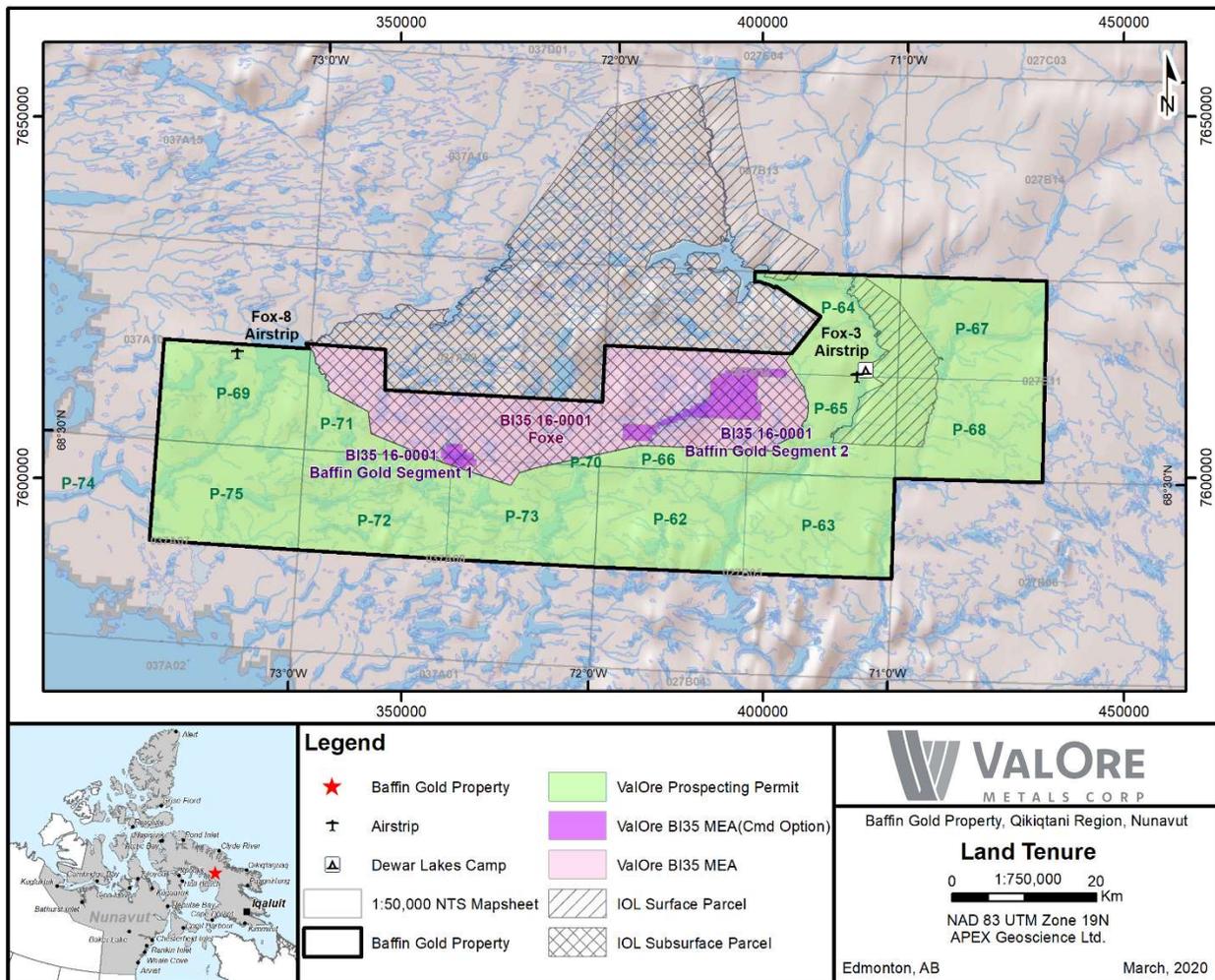


Figure 2: Baffin Gold Property Land Tenure

DEWAR LAKES CAMP – COMMANDER RESOURCES LTD.

ValOre utilizes Commander’s Resources’ Dewar Lakes Camp, adjacent to the North Warning System Fox-3 Airstrip, on Crown Lands administered by CIRNAC. The camp is located at 68°37’59” N, 71°06’38” W (or 414199E/7614920N UTM Nad83 Zone 19). Commander has authorized ValOre to operate exploration out of the Dewar Lakes camp and ValOre used this as a base of operations for both its 2017 and 2018 exploration programs.

The Dewar Lakes Camp is authorized by CIRNAC permit N2017J0014 and Nunavut Water Board licence 2BE-NAD1722. Camp management plans are administered by Commander and these plans are consistent with ValOre’s management plans. Commander’s Annual Report on activities at the Dewar Lakes Camp is attached in **Appendix B**.

2019 WORK COMPLETED

No exploration program took place in 2019.

WILDLIFE OBSERVATIONAL LOG

No wildlife observations were made in 2019.

ENVIRONMENTAL CONSIDERATIONS

All employees and contractors working for the Company are made aware of the Company's internal policies and procedures and with the Terms and Conditions of the project's operational licences and permits. Every person arriving at the Baffin Gold Property undergoes an orientation which includes information on health, safety and environmental responsibilities and stewardship. In addition to operational licences and permits, all safety manuals, internal guidelines and management plans are on file with the Project Supervisor and posted at the Dewar Lakes Camp. These include:

- Field Safety Manual
- Emergency Response Plan
- Spill Contingency Plan
- Fuel Management Plan
- Environmental and Wildlife Management Plan
- Abandonment and Restoration Plan

These documents are updated on an annual basis and are available upon request.

Orientation and training at site includes, but is not limited to: spill response, bear safety, environmental policies (including waste management), wildlife mitigation measures and the caribou protection measures. Employees, contractors and visitors are asked to review printed materials from the orientation and acknowledge that they have received the orientation, reviewed the information materials and that they understand their individual responsibilities.

Wildlife sightings are recorded in the field and at camp. All employees and contractors are required to report sightings to a designated employee or wildlife monitor who records them daily. Information is provided to field staff to recognize high profile Valued Ecosystemic Components (VEC's) and species at risk that could potentially occur within the project area.

Wildlife incidents, when they occur, are reported immediately to the QIA and to the Government of Nunavut (GN) Wildlife Conservation Officers. Contact information for emergency situations are displayed in the office and provided in ValOre's Environmental and Wildlife Management Plan.

Regulatory Inspections and Reporting

Notification of program commencement and program completion are provided to CIRNAC, QIA, Workers' Safety and Compensation Commission (WSCC) and the Nunavut Impact Review Board (NIRB).

As no field work was completed, no regulatory inspections of the Dewar Lakes Camp were conducted in 2019.

MITIGATION MEASURES

Caribou, Muskoxen and Other Wildlife

Flights - Helicopter flights maintain a >300 metre altitude whenever possible. In areas where wildlife is observed helicopters are to maintain a minimum of altitude of 610 metres. Absolutely no landings are allowed in areas where there are migrating caribou, caribou cows and/or calves and/or muskox nurse groups present.

Crossings – Between May 15 and September 1, no fuel cache is to be established, and no blasting is to occur within 10 kilometres of a “designated caribou crossing”. No drilling is to be conducted within five kilometres of crossings. Absolutely no activities are to act as a block or in any way cause a diversion to migration of caribou. There are no designated caribou crossings on the Baffin Gold Property or in areas currently being worked by ValOre Metals Corp.

Bear and other Carnivores

Known carnivore dens are to be avoided. Any new dens discovered are to be reported to the regional wildlife biologist and the QIA and avoided.

If bears are present, work is to cease until the bears have moved safely out of the area. All human-bear interactions or incidents are to be reported immediately to the QIA and to the GN Wildlife Biologist.

Breeding and Nesting Birds

No eggs or nests are to be disturbed by any activities. If any employee or contractor comes across any active nests, they are to cease all activities immediately to ensure that the nest is not disturbed. Coordinates are to be recorded on the wildlife incidental observation log and these coordinates are to be reported to Environment Canada. Moving or disturbing the nest of a migratory bird is in contravention of the Migratory Birds Convention Act.

The peregrine falcon has been identified as species of Special Concern by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC). If any nests are found, a buffer must be maintained. A 1.5 kilometre buffer is recommended for the peregrine falcon. Any nests discovered will be recorded on the wildlife incidental observation log and the Global Positioning System (GPS) coordinates provided to the applicable regulatory authorities and interested parties.

WASTE MANAGEMENT

Please refer to Commander’s Annual Report in **Appendix B** for waste management summary at the Dewar Lakes Camp.

FUEL INVENTORY

Please refer to Commander’s Annual Report in **Appendix B** for a fuel inventory at the Dewar Lakes Camp.

FLIGHT SUMMARY

No site flights were completed in 2019.

RECLAMATION AND REMEDIATION

No reclamation or remediation occurred in 2019.

SOCIO-ECONOMIC IMPACTS AND BENEFITS

ValOre has now conducted two exploration programs (2017 and 2018) on the Baffin Gold Property. The company and its management have demonstrated a strong commitment to Nunavut with the Angilak Property in the Kivalliq region since 2008 and will extend that commitment to the Baffin Gold Property. Valore hires locally whenever possible. Accordingly, to assist with the 2017 Baffin Gold Property exploration program, ValOre hired two community members from Qikiqtarjuaq and one local prospector from Iqaluit (originally from Qikiqtarjuaq). However the sampling program only lasted a week in 2018 and therefore the assistance of local prospectors was not required. The Company utilizes northern businesses and services wherever available.

COMMUNITY CONSULTATION

Valore is committed to Nunavut and values the input of Nunavummiut. In 2017 the company visited communities adjacent to the Property prior to the start of the exploration program to discuss available Inuit Qaujimagatuqangit, the proposed exploration program and any potential concerns the communities may have. ValOre met with community members of Clyde River on the evening of July 26, 2017. The following day they met with the Nangmoutaq (Clyde River) Hunters and Trappers Organization (HTO) and the Clyde River Community Lands and Resources Committee (CLARC). From there they travelled to Qikiqtarjuaq and met with the Qikiqtarjuaq CLARC and also conducted a community meeting to introduce the company and the program to interested community members. Due to the limited scope of the program, ValOre was unable to visit the communities in 2018. The Company hopes to give a more complete update to communities at a later date.

ARCHAEOLOGICAL, TRADITIONAL KNOWLEDGE

Work conducted at the Property to date has been at a reconnaissance level so the Company's could get its first regional assessment of the Property. Once target areas are identified for advanced exploration, archeological investigations will be conducted in these areas. To avoid potential disturbance, target areas will be examined to ensure archeological sites are identified, recorded and avoided.

Any archaeological sites identified during the course of exploration activities will be handled with the utmost care. Site coordinates will be recorded and designated off limits to all workers. Disturbance of any heritage site or artifacts is prohibited. No archaeological sites were identified and no archaeological investigations were undertaken in 2017 and 2018.

APPENDIX A
2019 LAND TENURE

Permit/Claim Number	NTS Map Sheet	Hectares	Recorded Date	Anniversary Date	Zone	Owner*
BI-35-16002	037A09, 027B12	64,534.00	01-Apr-17	01-Apr-20	18/19	ValOre Metals Corporation
BI-35-16001	037A09, 027B12	8,105.00	01-Jan-17	01-Jan-20	18/19	Commander Resources Ltd.
P-62	027B05	28,322.45	01-Feb-17	31-Jan-21	19	ValOre Metals Corporation
P-63	027B05	28,322.45	01-Feb-17	31-Jan-21	19	ValOre Metals Corporation
P-64	027B12	20,171.01	01-Feb-17	31-Jan-21	19	ValOre Metals Corporation
P-65	027B12	19,775.21	01-Feb-17	31-Jan-22	19	ValOre Metals Corporation
P-66	027B12	3,967.33	01-Feb-17	31-Jan-22	19	ValOre Metals Corporation
P-67	027B11	26,422.80	01-Feb-17	31-Jan-21	19	ValOre Metals Corporation
P-68	027B11	27,984.43	01-Feb-17	31-Jan-21	19	ValOre Metals Corporation
P-69	037A10	27,140.65	01-Feb-17	31-Jan-21	18	ValOre Metals Corporation
P-70	037A09	532.75	01-Feb-17	31-Jan-22	18	ValOre Metals Corporation
P-71	037A09	8,615.97	01-Feb-17	31-Jan-22	18	ValOre Metals Corporation
P-72	037A08	28,171.44	01-Feb-17	31-Jan-21	18	ValOre Metals Corporation
P-73	037A08	26,001.81	01-Feb-17	31-Jan-21	18	ValOre Metals Corporation
P-75	037A07	28,322.45	01-Feb-17	31-Jan-21	18	ValOre Metals Corporation
Total		352,760.89				

APPENDIX B

2019 ANNUAL REPORT ON THE DEWAR LAKES CAMP

COMMANDER RESOURCES LTD.