

26 April 2022

Oakdale Graphite Project Identified as Potential Supplier of High-Quality Concentrate

HIGHLIGHTS

- **Burgeoning demand for battery grade graphite and resultant substantial increase in graphite prices provides an opportunity to put the Oakdale Graphite Project back on the map.**
- **The Project is located on the Eyre Peninsula in South Australia, which also hosts Renascor Resources' (ASX: RNU) emerging, Siviour Graphite Project.**
- **With an existing resource that remains open along strike, and at depth, and global demand forecast to continue with a strong upwards trajectory, propelled by unprecedented demand for lithium-ion batteries, OAR is well positioned to capitalise on this critical mineral to the battery metals sector.**
- **Oar will work with CSIRO and other graphite experts to focus on the potential to produce a graphite concentrate as a first step towards the potential supply of spherical graphite used in the production of lithium-ion batteries.**
- **Results of metallurgical test work will inform OAR's decision to expand the JORC Resource and advance Oakdale on the path to become a critical mineral producer.**

Oar Resources Limited ("OAR" or "the Company", ASX: OAR) is pleased to provide the following update on its wholly owned Oakdale Graphite Project ("**the Project**") located on the Eyre Peninsula in South Australia (Figure 1).

The Company has undertaken a detailed assessment of the Oakdale Project, which has included a review of the previous Scoping Study and JORC Resource completed at the Project (ASX announcement, 2 December 2015) and a recent site visit to the Project, which incorporated an assessment of drill core from previous drilling conducted by OAR¹.

The outcomes of this review have been highly positive, and, in conjunction with the bullish prevailing supply and demand metrics in the graphite market, and considerable potential to grow the scale of the Resources, have provided OAR with the confidence to re-commence exploration and other project enhancing work at the Oakdale Graphite Project.

The Oakdale Graphite Project is listed as a 'critical minerals project' by the Federal Government² and has been subject to previous extensive drilling by OAR, totalling 330 air core and 11 diamond drill holes over a total of 19,124 metres¹.

This drilling delivered excellent results (Figures 2 and 3) and resulted in the definition of an initial combined Indicated and Inferred JORC Resource of 13.47Mt @ 3.3% Total Graphite Content (TGC)

¹ Refer to ASX announcements dated 27 October 2015 for details and associated JORC tables

² Refer "Critical Mineral Projects in Australia 2020" report prepared by Commonwealth of Australia represented by the Australian Trade and Investment Commission (Austrade), Geoscience Australia and the Department of Industry, Science, Energy and Resources

including 6.31Mt @ 4.7% TGC³ (refer to Appendix 1), which formed the basis of the previous Oakdale Scoping Study.

The original Scoping Study showed an estimated flotation concentrate grade of >90% TGC⁴, and amongst other outcomes, 'highlights the robust economic nature of the Oakdale Graphite Project'.

OAR's previous work at the Project established that the oxidised soft graphitic clays within the existing Resource may be amenable to being cheaply and readily mined within a shallow open-pit without drilling and blasting.

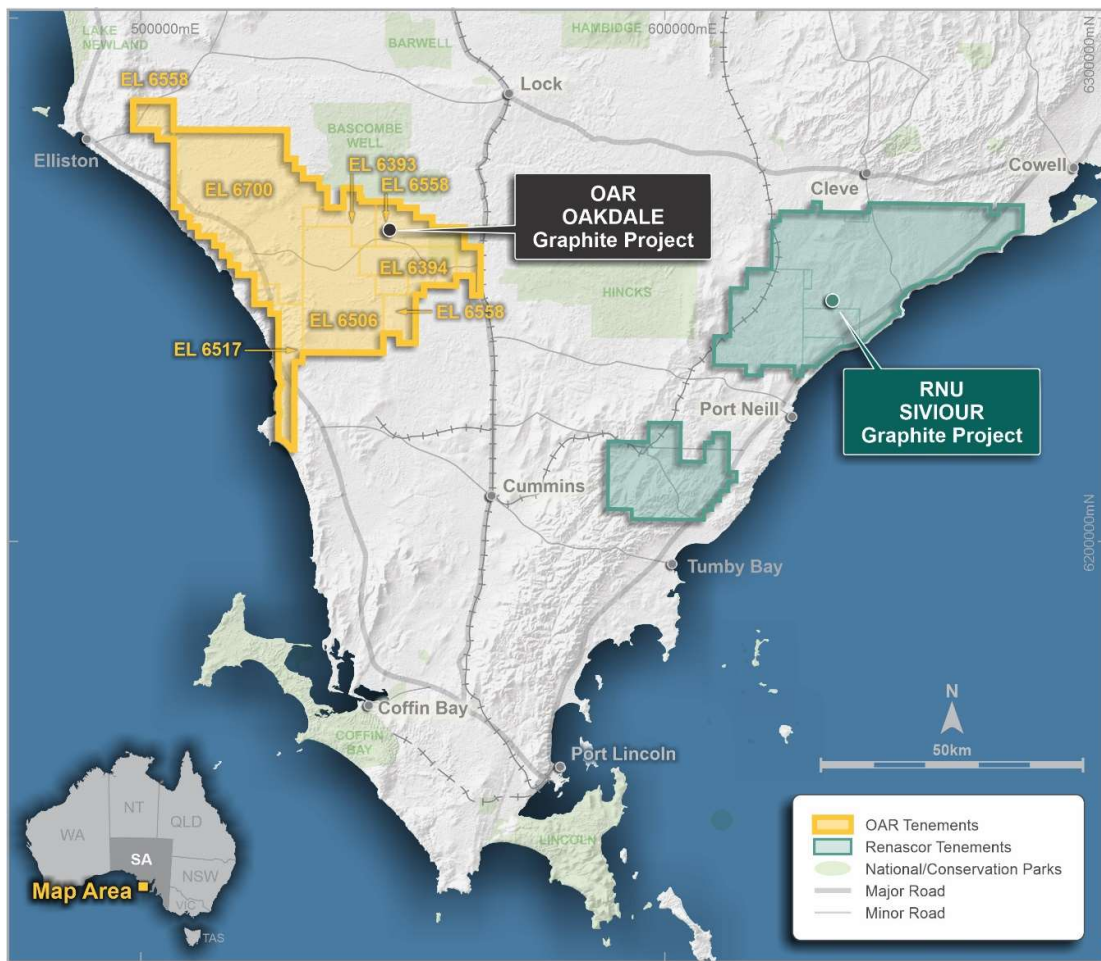


Figure 1: Oakdale Graphite Project location map

The demand for battery-grade graphite was much lower at the time of the original Scoping Study than it is currently, as was the graphite price. Other inputs to the original study have also changed significantly. The graphite price is now at historic highs and demand is set to continue to remain strong, with electric vehicles and other high growth sectors relying heavily upon graphite in the production of lithium-ion batteries. At present, graphite is the dominant anode material utilised in batteries, regardless of the battery chemistry.

³ Refer to ASX announcements dated 27 October 2015 and 2 December 2015 for full details and associated JORC tables

⁴ Previous test work conducted by ALS and Bureau Veritas

Given these highly favourable market conditions and a positive long-term outlook for battery-grade graphite, OAR has taken the decision to extend the previous Scoping Study with a focus on a staged approach to potentially produce purified spherical graphite, for the future supply to the battery-grade graphite market, where spherical graphite is critical to the production of the anode utilised in lithium-ion batteries.

Planned Works

OAR is engaging with CSIRO and other technical experts to conduct further processing and metallurgical test work, aimed at initially producing a graphite concentrate of >95% TGC, as a first step in assessing the potential to produce a higher margin Purified Spherical Graphite (PSG).

Based on the results of this work, further targeted drilling to increase the current Oakdale JORC Resource base will be initiated. The existing Oakdale resource remains open along strike to the southwest and down dip, offering great potential for expansion of the project scale.

OAR Managing Director Justin Richard said:

“The graphite market has improved substantially since the initial Oakdale Graphite Scoping Study was undertaken in 2015. Most significant is the demand for battery-grade graphite and the rapid uptake of electric vehicles and other battery-powered technology. This has contributed to sustained demand growth for graphite and higher graphite prices, and provides the ideal environment for OAR to renew its focus on the Oakdale Graphite Project, and expand upon the solid body of work already completed by the Company. If the test work we are undertaking supports the case for a high-grade graphite product, we’ll be on our way to getting the Oakdale Graphite Project back on track towards becoming a battery mineral producer.”

It has been noted that graphite is where lithium appeared to be five years ago⁵. Currently, anode production made from graphite is entirely processed through China, and governments around the world are seeking to broaden graphite supply chains. This provides a significant potential opportunity for companies like OAR to develop new sources of supply⁶, and such efforts are being supported by the Australian government through initiatives such as the \$2 billion Critical Minerals Facility.



Figure 2: High-grade graphite drill core from the Oakdale Graphite Project – 36.2m to 42.2m @ 19.71% TGC⁷

⁵ Credit Suisse research analyst Phineas Glover quoted in Sydney Morning Herald 19/4/22 by Jackson Graham ‘An orphaned commodity: Graphite overlooked in the race for EV minerals’

⁶ For example, Renascor Resources recently announced a capital raising initiative on the back of a \$185m government loan to finance construction of the Siviour graphite mine and purified spherical graphite processing facility on the South Australian Eyre Peninsula

⁷ Refer to page 12 of ASX Announcement dated 11 December 2015 and Quarterly Activities Report dated 30 October 2015

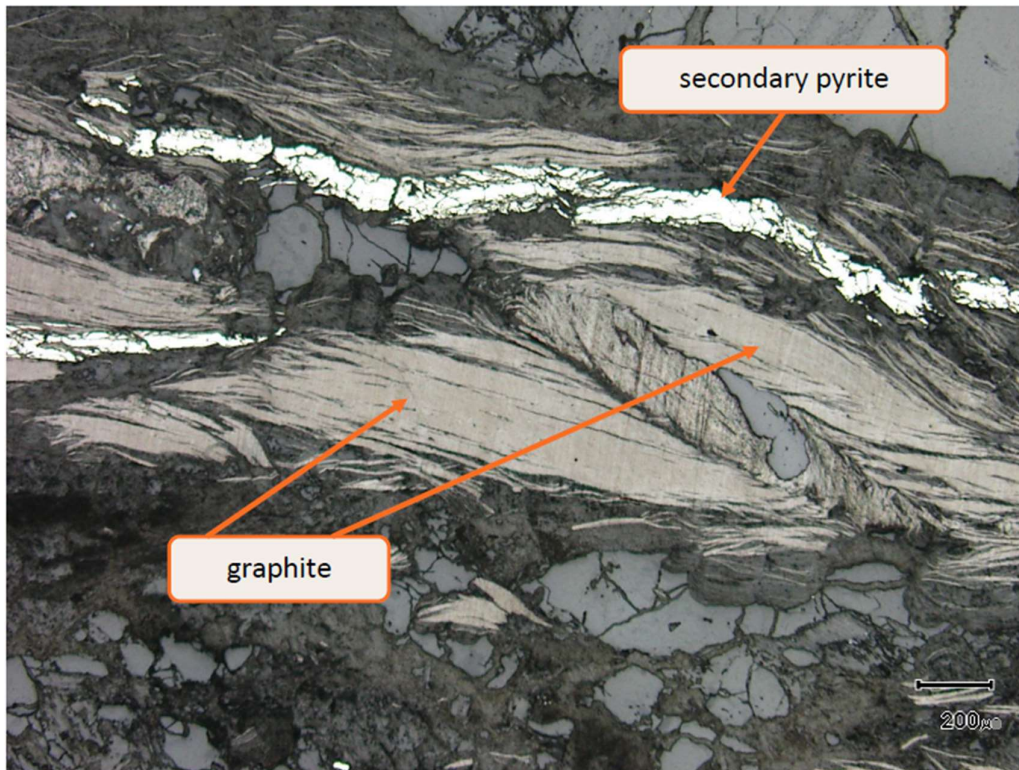


Figure 3: Oakdale Graphite Project sample thin section, Mag. X 50; scale bar = 200 μ ; reflected light - showing coarse graphite grain folded and partially recrystallised

About the Oakdale Graphite Project

The Oakdale Graphite Project is situated on the western flank of the Eyre Peninsula, and forms part of OAR's extensive ground holding in the region which comprises six contiguous exploration licences covering approximately 1,520km² of the Gawler Craton. The Eyre Peninsula is an active and highly prospective minerals precinct, which also hosts Renascor Resources' (ASX: RNU) world-class Siviour Graphite Project.

OAR's Oakdale Project has been subject to extensive previous drilling by OAR, which included drilling and logging of 330 air core and 11 diamond drill holes for a total of 19,124 metres. This resulted in the definition of an initial combined Indicated and Inferred JORC Resource⁸ later defined to include 6.31Mt @ 4.7% Total Graphite Content (TGC) (refer to Appendix 1) and the completion of a Scoping Study for the Project⁹. OAR is currently assessing options to enhance and expand the Project, with a view to providing a potential new source of graphite supply.

The Company notes that details of neighbouring projects to the Company's projects are set out for information purposes only and is not an indication of the prospectivity of the geology of the Company's projects.

⁸ Refer to ASX announcement dated 27 October 2015 for associated JORC table

⁹ Refer to ASX Announcement dated 2 December 2015 for associated JORC table

“This Announcement has been authorised for release to ASX by the Board of Oar Resources Limited”

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About Oar Resources Limited

*Oar Resources Limited is an ASX listed precious metals explorer and aspiring producer. Oar has acquired 100% of Australian Precious Minerals Pty Ltd, holder of the Crown Project in Western Australia. Crown is situated near Chalice Mining’s world-class Julimar polymetallic discovery. Oar has also acquired 100% of Alpine Resources’ gold exploration projects in the highly prospective gold province of Nevada, United States - ranked the third best mining jurisdiction in the world. These projects are in an area that hosts several multi-million-ounce deposits. Oar, through its wholly owned subsidiary Lymex Tenements Pty Ltd holds a number of tenements on the South Australian Eyre Peninsula which are considered highly prospective for kaolinite and halloysite mineralisation, **graphite**, iron ore and other commodities. In addition, Oar’s Peruvian subsidiary, Ozinca Peru SAC, owns a CIP Gold lixiviation plant, strategically located proximal to thousands of small gold miners in Southern Peru.*

Forward Looking Statement

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Oar Resources Ltd.’s current expectations, estimates and assumptions about the industry in which Oar Resources Ltd operates, and beliefs and assumptions regarding Oar Resources Ltd.’s future performance. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “potential” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Oar Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Oar Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

Competent Person’s Statement

The information in this ASX Announcement for Oar Resources Limited was compiled by Mr. Ross Cameron, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cameron is an employee of Oar Resources Limited. Mr Cameron has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity to which he is undertaking to qualify as a “Competent Person” as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.’ Mr Cameron consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. All references to original source information are included as footnote and endnote references as indicated throughout the presentation where required.

APPENDIX 1

	Category	TGC %	Mt (Dry)	TGC Cutoff %
Oakdale	Indicated	3.6	4.67	0
	Inferred	3.1	7.18	0
Oakdale East	Inferred	3.2	1.63	0
Total		3.3	13.47	0
Of which, high grade Areas:				
Oakdale	Indicated	4.7	2.69	3
	Inferred	4.6	2.96	3
Oakdale East	Inferred	5.1	0.67	3
Total		4.7	6.31	3

Table 1: Indicated and inferred mineral resource table¹⁰

¹⁰ Refer to ASX Announcement dated 2 December 2015