

ASX ANNOUNCEMENT

3 November 2022

# Oar Resources agrees to acquire highly prospective WA lithium project

# HIGHLIGHTS

- Oar Resources signs Binding Option Term Sheet for acquisition of one granted tenement and two tenement applications, adding lithium to the Company's diverse project portfolio.
- Tenements provide prospective Lithium-Caesium-Tantalum (LCT) pegmatite targets with historic lithium and rubidium anomalies reported from previous rock chips.
- Initial reconnaissance confirms presence of LCT pegmatites within the granted tenement.
- Project in proximity to Liontown Resources' Kathleen Valley Lithium Deposit.

Oar Resources Limited (ASX: OAR) ("OAR" or "the Company") is pleased to announce it has signed a Binding Option Term Sheet with Denchi Pty Ltd ("Denchi") and First Standard Minerals Pty Ltd ("First Standard") for the 100% acquisition of a lithium project near Wiluna in Western Australia ("the Project").

The Project is targeting pegmatite hosted lithium mineralisation, with initial indications pointing to the existence of Lithium-Caesium-tantalum (LCT) pegmatites. This type of pegmatite is the same host rock found at several key lithium projects including Pilbara Minerals' Pilgangoora project and Talison's Greenbushes operation.

The Project covers a combined area of 217.7km<sup>2</sup> across one granted tenement (EL53/2198) and two tenement applications (ELA53/2229 and ELA53/2230).

Located approximately 50km west of Wiluna in the Northern Goldfields of Western Australia, the project lies 120km north-west of Liontown Resources' Kathleen Valley lithium deposit, which holds a current Mineral Resource Estimate of 156Mt at 1.4%  $Li_2O$  and 130ppm  $Ta_2O_5$  (see Appendix 2 of this announcement for details).

Historic lithium and rubidium anomalies, along with the presence of other minerals common in LCT pegmatites, were recorded in rock chips taken in 2019, which were provided to the Company by Denchi and verified using DMIRS' historic exploration reporting system, WAMEX.

Details are included in Table 1 in Appendix 1 of this announcement.

Recently completed reconnaissance by the Company has confirmed the presence of pegmatites at the location of the historic rock chip samples. Sixteen samples were collected by the Company's geological team at the site of the historic samples and at numerous outcropping pegmatite dykes up to 500 metres from the initial anomalism.

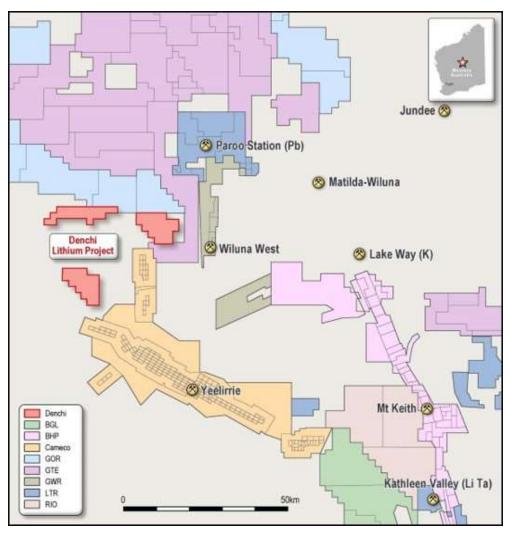


Figure 1: Denchi Lithium Project location map

## OAR Executive Chairman Chris Gale said:

"This exciting lithium project will add to our strategy of developing Oar Resources into a battery metals focused company. OAR currently has a graphite project in South Australia, now with a lithium project in our stable we have two key battery metal elements to focus on, then hopefully develop to the next stage of drilling out a resource.

"The Denchi Project is in proximity to large, established lithium projects. The historic rock chip sample data, as well as our initial reconnaissance completed last month, which identified outcropping pegmatites, have demonstrated the project is prospective for LCT pegmatites and warrants imminent exploration activities.

"We see this project as a valuable addition to our stable of critical mineral assets that are in demand globally as the race for renewables continues to accelerate."



Figure 2: Outcropping pegmatites within the granted tenement, E53/2198

#### **Targeting Exploration**

Geophysical and remote sensing data including ASTER, visible/near infrared [VNIR], shortwave infrared [SWIR] and longwave infrared [LWIR] imagery has been processed and interpreted by a specialist external consultant, allowing targeted exploration to commence without delay.

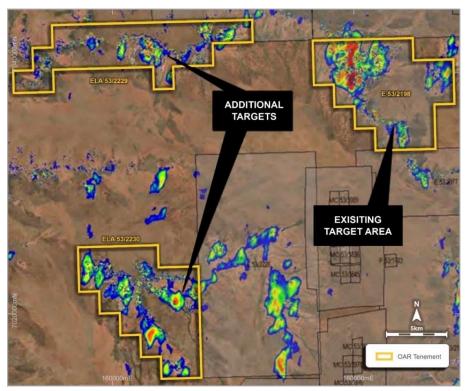


Figure 3: Targeting using interpreted remote sensing imagery

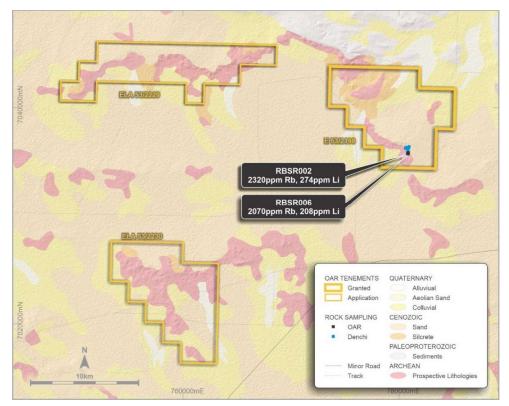


Figure 4: Historic rock chip samples from Denchi, including Denchi pegmatite sampling locations conducted during October 2022

#### Next steps

Further reconnaissance mapping across the project tenements will guide a systematic, project-wide mapping and rock chip sampling program over prospective pegmatite outcrops identified. The remote sensing target generation images provided by Denchi will be utilised in the field mapping and sampling programs.

As part of the project-wide mapping and sampling exercise, outcrop dimensions will be recorded and the mineralised outcrops will be ranked based on anomalism and dimensions. The criteria for "drill Ready" will also take into account the number of individual mineralised pegmatite dykes in any particular swarm.

## Acquisition Terms

The acquisition of 100% of the Project will be settled by issuing fully paid OAR ordinary shares to the Sellers, as follows:

- 40,000,000 fully paid OAR ordinary shares within five business days after the date of execution as a non-refundable deposit ("**Deposit Shares**").
- 200,000,000 fully paid OAR ordinary shares on completion of the acquisition ("**Completion Shares**"), expected within 30 days after the date of execution.
- Issuing the Sellers with the following Deferred Consideration Shares, upon satisfaction of the below milestones:
  - i. 80,000,000 fully paid OAR ordinary shares, subject to and conditional upon the granting of ELA53/2229 within 12 months from completion of the acquisition ("Grant 1 Milestone Shares");
  - 80,000,000 fully paid OAR ordinary shares, subject to and conditional upon the granting of ELA53/2230 within 12 months from completion of the acquisition ("Grant 2 Milestone Shares");

- iii. Fully paid OAR ordinary shares, valued at \$250,000, with each share having a deemed price equal to the higher of \$0.01 ("Floor Price") or the 30-day VWAP of OAR shares prior to issue, subject to and conditional upon OAR having delineated a maiden inferred JORC Code compliant Mineral Resource at the Project, which exceeds 10 million tonnes of Li<sub>2</sub>O with a minimum grade of 1% Li<sub>2</sub>O, within five years from completion of the acquisition ("JORC Milestone Shares").
- Granting the Sellers, an aggregate 2% net smelter royalty in respect of all Li<sub>2</sub>O extracted by OAR from the Project. The company has an option to buy out the royalty prior to a decision to mine.

The voluntary escrow of 50% of all the fully paid OAR ordinary shares to be issued, pursuant to the project acquisition, including the Deferred Consideration Shares, for a period of 6 months from the date of issue.

OAR will seek shareholder approval under ASX Listing Rule 7.1 and an application will be submitted to ASX for a waiver from ASX Listing Rule 7.3.4 for the issue of the Deferred Consideration Shares, with the Deposit Shares and Completion Shares will be issued from the Company's placement capacity under ASX Listing Rule 7.1.

Completion of the project acquisition is also conditional upon other conditions considered customary for a transaction of this nature.

This announcement has been authorised for release to the ASX by the Board of Oar Resources Limited.

#### For further information please contact:

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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 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 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 www.oarresources.com.au

#### **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 quide 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 announcement where required.

# APPENDIX 1

#### TABLE OF SAMPLE RESULTS

The corresponding sample numbers and coordinates represented in Table 1 below were verified using DMIRS' online Exploration database.

Sample ID	MGA_E	MGA_N	Sample Type	Sn	Be	Cs	Li	Nb	Rb	Та
				ррт	ррт	ррт	ррт	ррт	ррт	ррт
RBSR006	780828	7035742	RK	99	11.8	21.8	208	286	2070	24.9
RBSR005	780874	7035834	RK	31	0.6	-0.1	3.5	104	5.8	8.7
RBSR004	780866	7035843	RK	1	0.3	0.2	7	4	12	0.2
RBSR003	780870	7035849	RK	45	3.7	3.9	110	54.5	371	3.4
RBSR002	780840	7035740	RK	107	13.4	23.9	274	321	2320	19.7
RBSR001	780844	7035737	RK	47	3.2	4.1	101	68.5	475	3.4

Table 1: Selected sample results from the geochemistry conducted on the 2019 rock chip samples.<sup>1</sup>

Sample ID	MGA_E	MGA_N	Sn_ppm	Cs_ppm	Be_ppm	K_ppm	Li_ppm	Nb_ppm	Rb_ppm	Ta_ppm	Lith_Description
RBSR006	780828	7035742	99	21.8	11.8	68800	208	286	2070	24.9	Mica. Single patch that was a good sample
RBSR005	780874	7035834	31	-0.1	0.6	2400	3.5	104	5.8	8.7	Sedimentary unmineralised rock with fine grained Quartz
RBSR004	780866	7035843	1	0.2	0.3	500	7	4	12	0.2	Quartz from top of Breakaway area
RBSR003	780870	7035849	45	3.9	3.7	19200	110	54.5	371	3.4	Pegmatite Rock
RBSR002	780840	7035740	107	23.9	13.4	76800	274	321	2320	19.7	Outcropping Mica alongside Outcropping Quartz Vein
RBSR001	780844	7035737	47	4.1	3.2	23800	101	68.5	475	3.4	Pegmatite Rock

<sup>&</sup>lt;sup>1</sup> Great Western Exploration Limited, WAMEX A123345 (2019) (Available at: <u>https://www.dmp.wa.gov.au/Geological-Survey/Geological-Survey/262.aspx</u>

#### **APPENDIX 2**

# Liontown Resources Limited's Kathleen Valley Project – Mineral Resource Estimate as at April 2021

Resource Category	Million tonnes	Li <sub>2</sub> O %	Ta₂O₅ ppm	
Measured	20	1.3	145	
Indicated	109	1.4	130	
Inferred	27	1.3	113	
Total	156	1.4	130	

# Table 1: Breakdown of Mineral Resource Estimate Category

#### **APPENDIX 3**

# JORC Code, 2012 Edition – Table 1 Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> </ul>	<ul> <li>Grab Sampling – approximately 1.0kg of rock sample is collected from the outcrop. This type of sampling may be highly selective.</li> </ul>
	<ul> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> </ul>	
	• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	No drilling has been carried out.
Drill sample recovery	<ul> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	No drilling has been carried out.

	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	<ul> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul> <li>All samples have been described geologically.</li> <li>Sampling is by grab sampling from outcrop.</li> <li>All samples are photographed prior to dispatch.</li> </ul>
Sub-sampling techniques and sample preparation	<ul> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	the selected sample mass is considered appropriate for the grain size of the material being sampled.
Quality of assay data and laboratory tests	<ul> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul> <li>Recent rock chip samples were submitted to ALS in Perth for analysis.</li> <li>The analytical method and procedures include:</li> <li>Pulverize up to 3kg of raw sample. QC specification of 85% &lt;75µm. Samples greater than 3kg are crushed and split prior to pulverizing and the remainder retained.</li> <li>Lithium suite peroxide fusion which includes: Ce, Cs, Nd, Nb, Li, Rb, Sn, Ta, Th, U.</li> <li>Multi-Element Ultra Trace method combining a four-acid digestion with ICP-MS instrumentation. A four-acid digest is performed on 0.25g of sample to quantitatively dissolve most geological materials. Analytical analysis performed with a combination of ICP-AES &amp; ICP-MS which includes: Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, Re, S, Sb, Sc, Se, Sn, Sr, Te, Ti, Tl, V, W,Y, Zn, Zr.</li> <li>As this is early stage exploration with a wide variation in sample results the Company has not inserted control samples in the regular stream of rock samples. This is</li> </ul>

		<ul> <li>considered appropriate for early stage exploration. The laboratory inserts a range of standard samples in the sample stream the results of which are reported to the Company.</li> <li>The laboratory uses a series of control samples to calibrate the analytical equipment.</li> </ul>
Verification of sampling and assaying	<ul> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul> <li>Resampling of outcrops or dump samples by different people can result in variation of results by up to +/- 50%.</li> <li>Primary data is recorded on site and entered into the appropriate database.</li> </ul>
Location of data points	<ul> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul> <li>Samples were located using a Garmin GPS66i handheld unit and are considered accurate to +/- 3m.</li> <li>The grid system used is UTM MGA94 Zone 50.</li> </ul>
Data spacing and distribution	<ul> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	• As this is early stage exploration sample density is controlled by the frequency of outcrop.
Orientation of data in relation to geological structure	<ul> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	Orientated samples were not collected at this early stage.
Sample security	• The measures taken to ensure sample security.	• At all times samples were in the custody and control of the project geologist until delivery to the laboratory where samples were held in a secure enclosure pending processing.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	None undertaken at this stage.

# Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JC	DRC Code explanation	Co	ommentary
Mineral tenement and land tenure status	•	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.		E53/2198 is Granted. ELA53/2229 and ELA53/2230 are currently pending. Drilling permits have not yet been applied for.
Exploration done by other parties	•	Acknowledgment and appraisal of exploration by other parties.	•	Previous exploration within the tenements has been collated from publicly available data held by DMIRS and re-reported in this announcement. Rock chip samples collected by Great Western Exploration – were analysed at Bureau Veritas (BV) using Inductively Coupled Plasma (ICP) Optical Emission Spectrometry, Inductively Coupled Plasma (ICP) Mass Spectrometry. Elements assayed: Ag As Au Ba Bi Cd Co Cr Cu Fe Mg Mn Mo Ni P Pb S Sb Sn Te Th Ti U V W Zn Zr AIB Be Ca Ce Cs Dy Er Eu Ga Gd Ge Hf Ho In K La Li Lu Na Nb Nd Pr Rb Re Sc Se Si Sm Sr Ta Tb TI Tm Y Yb
Geology	•	Deposit type, geological setting and style of mineralisation.	•	Denchi Lithium Project is considered a pegmatite hosted lithium target.
Drill hole Information	•	<ul> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	•	No drilling information.
Data aggregation methods	•	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high	•	No weighting or averaging techniques have been applied to the sample assay results.

	<ul> <li>grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> <li>Rock chip results are considered point samples and do not represent extent or geometry.</li> </ul>
Diagrams	<ul> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> <li>Historic rock chip results from previous explorers are included in the announcement and have been transcribed directly from the reports submitted to DMIRS.</li> </ul>
Balanced reporting	<ul> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</li> <li>Historic results have been reported as reported by Great Western Exploration.</li> </ul>
Other substantive exploration data	<ul> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples         <ul> <li>size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> <li>The Company is not in possession of other relevant exploration results.</li> </ul> </li> </ul>
Further work	<ul> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> <li>Project-wide mapping and outcrop sampling.</li> <li>Drill testing anomalous pegmatite outcrops if scale and grade warrant.</li> </ul>