

STRATEGIC DIVESTMENT OF GIBRALTAR HALLOYSITE-KAOLIN PROJECT

HIGHLIGHTS

- Strategic divestment of non-core asset Gibraltar Halloysite-Kaolin Project for \$500,000 cash
- Select portion of EL6506 will be excised for the divestment, comprising circa 80km²
- Remaining area of EL6506 retained to support OAR's Rare Earth Element (REE) portfolio
- Sale proceeds will be used to advance OAR's critical minerals exploration program

Oar Resources Limited (ASX: OAR) ("OAR" or "the Company") is pleased to advise it has entered into a binding Tenement Sale Agreement for the sale of its non-core Gibraltar Halloysite Project in South Australia to ESG Minerals Pty Ltd (ESG), a wholly owned subsidiary of Latin Resources Limited (ASX:LRS) for an all cash consideration of \$500,000.

The sale is part of the Company's ongoing strategic review to rationalise its non-core asset portfolio, generate its own funding where possible to apply towards its core assets which include continuing the Company's critical minerals exploration on the remaining Western Eyre Peninsula tenure and provide non-dilutive working capital.

The sale of the Gibraltar Halloysite-Kaolin Project will be done via a divestment of a portion of EL6506, with the excised area covering approximately 80km² of the original 316km² tenement (see Figure 1). The remaining portion of EL6506 will be retained by the Company.

The Company identified areas of significant high-grade Halloysite during its 2021 aircore drilling program¹ within the excised south-west portion of the tenement. ESG will utilise the excised area, containing the high grade Halloysite, for the ongoing development of their methane emission reduction and carbon capture technologies currently on foot.

The retained portion of EL6506 (236km²), will continue to complement OAR's Western Eyre Peninsula REE exploration program, where anomalous REE results were discovered during analysis of historic drill samples.

The Company will update the market once settlement has been finalised.

OAR Resources Managing Director Paul Stephen said:

"This strategic divestment will provide funding for the Company to accelerate exploration activity across its tenements in South Australia which have demonstrated their prospectivity for REE and critical minerals.

"OAR continues to advance exploration work across the Company's tenement package in South Australia while also investigating new opportunities to bolster its position as a graphite, REE and critical minerals player."

¹ Refer to ASX announcement released 1 September 2021

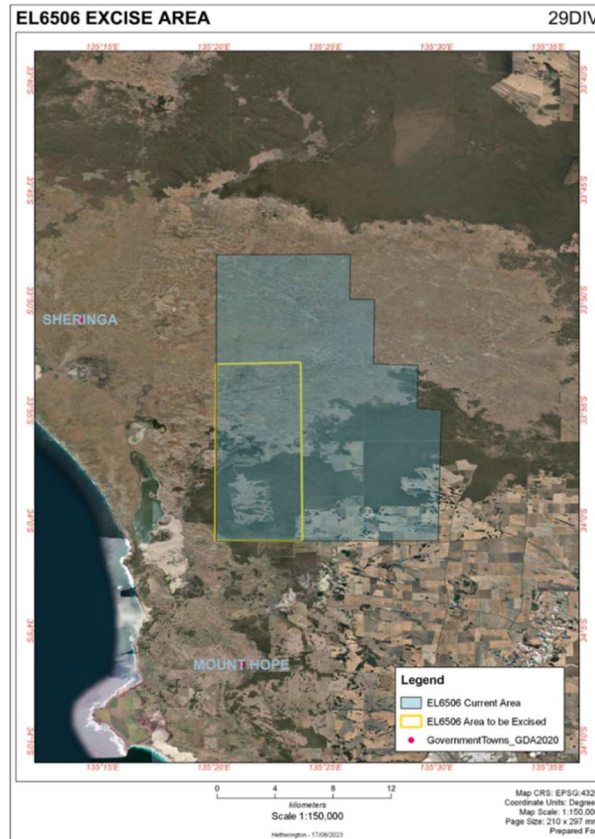


Figure 1: Excised area of Gibraltar Halloysite-Kaolin Project

KEY TERMS OF THE SALE

1. A sale price of \$500,000 cash plus any applicable GST payable on the of the fulfillment of the conditions precedent.
2. The conditions precedent, both of which have been fulfilled are as follows:
 - a) The granting of the Division Application by the Department for Energy and Mining of the Government of South Australia, for the excise of the exploration area comprising the Gibraltar Halloysite-Kaolin Project from the Company's EL6506 by conditional surrender, as a precursor preceding to the consequent issue to ESG of a new Exploration Licence in respect of the Gibraltar Halloysite-Kaolin Project (the excised area) only.
 - b) OAR, through its wholly owned subsidiary Lymex Tenements Pty Ltd, receiving confirmation from the ASX that ASX Listing Rule 10.1 does not apply to the sale and that the prior approval of the shareholders of OAR is not required.
3. OAR providing to ESG as part of the sale, all of the Mining information in relation to the excised area.



-Ends-

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

For further information please contact:

Paul Stephen
Managing Director
Oar Resources Limited
P: +61 8 6117 4797

Emily Evans
SPOKE
Emily@hellospoke.com.au
P: +61 401 337 959

About Oar Resources Limited

Oar Resources Limited (ASX: OAR) is an exploration and development company focused on building and developing a portfolio of battery and critical minerals assets to meet global demand for critical minerals used in the rising development of electric vehicles and the transition to green energy. OAR holds mineral assets in South Australia's Eyre Peninsula, which includes ultra-fine flake graphite at its Oar Graphite Project and Rare Earth Element (REE) potential across the remaining tenure.

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.