AKORA Resources Limited

ACN 139 847 555

Half Year Report
30 June 2021

Directors

MH Stirzaker	Non-Executive Chairman (appointed 22 August 2020)
PG Bibby	Managing Director and Chief Executive Officer
SL Fabian	Non-Executive Director
JM Madden	Executive Director and Company Secretary

Company Secretary
JM Madden

Registered office
211 McIlwraith Street
Princes Hill Victoria 3054

Postal address
PO Box 337
Carlton North Victoria 3054

Telephone	61-3-381 0859
Facsimile	-

Website	**www.akoravy.com**

Share registry
Link Market Services
Tower 4,
727 Collins Street
Melbourne Victoria Australia 6000

Telephone	1300 554 474

Corporate Advisor
Harbury Advisors Pty Ltd

Auditor
Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road Subiaco
WA Australia

Solicitors
Dentons Australia
Level 17, 585 Collins Street
Melbourne Victoria Australia

DIRECTORS' REPORT

The directors present their report, together with the financial statements of AKORA Resources Limited (ACN 139 847 555) (hereafter referred to as the "Company"), for the half-year ended 30 June 2021.

Principal Activities

The principal activities of the Company during the half-year were exploration for iron ore in Madagascar. There was no significant change in the nature of these activities during the year.

Operating Results, Review of Operations for the Year and Significant Changes in State of Affairs

The net loss after tax attributable to shareholders of AKORA Resources Limited of $546,434 the half-year ended 30 June 2021 (the net loss after tax for the previous half-year was A$211,058).

No significant changes in the Company's state of affairs occurred during the half-year.

Review of Activities

During the half-year, the Company completed the analysis of the successful 2020 exploratory drilling programme (*see* ASX Announcement, dated 17 December 2020) and then commenced the significant 4,000-metre 2021 drilling campaign designed to define a JORC compliant resource at our flagship Bekisopa project (*see* ASX Announcement, dated 31 May 2021).

COVID-19 Precautions
AKORA has been proactively managing the potential impact of COVID-19. With all employees and contractors required to test negative COVID before being allowed to travel to site and therefore, limiting risk to the community and operations. Activities and movements have been minimised to what is deemed essential, with increased hygiene practices and first aid at site.

2020 Drilling Programme Evaluation
The 2020 drilling programme of 12 diamond holes for a total of 1,095.5 metres was extremely successful in confirming both iron mineralisation along the 6-kilometre strike and at depths in excess of 100 metres on the main Bekisopa tenement. PR 10430. These encouraging drilling results demonstrated that the iron mineralisation is not just associated with the high-grade outcrop it confirmed extension at depth beneath the outcropping iron mineralisation, confirming the comprehensive 2019 geological and magnetic survey work, and gives optimism for an extensive JORC resource.

Drill core was prepared at the mineral preparation laboratory in Antananarivo, then 760 assay pulps were sent to the ALS Dublin laboratory for chemical analysis and 1,069 coarse crushed samples were sent to the ALS Perth – Iron Ore Technical Centre for processing evaluations. In summary, the assay results highlighted that the iron mineralisation continued at depth, beyond the typically 100m drilled, with combined mineralisation widths of between 50 metres and 150 metres and confirmed along the 4-kilometre strike drilled to date, *see* Figure 1.

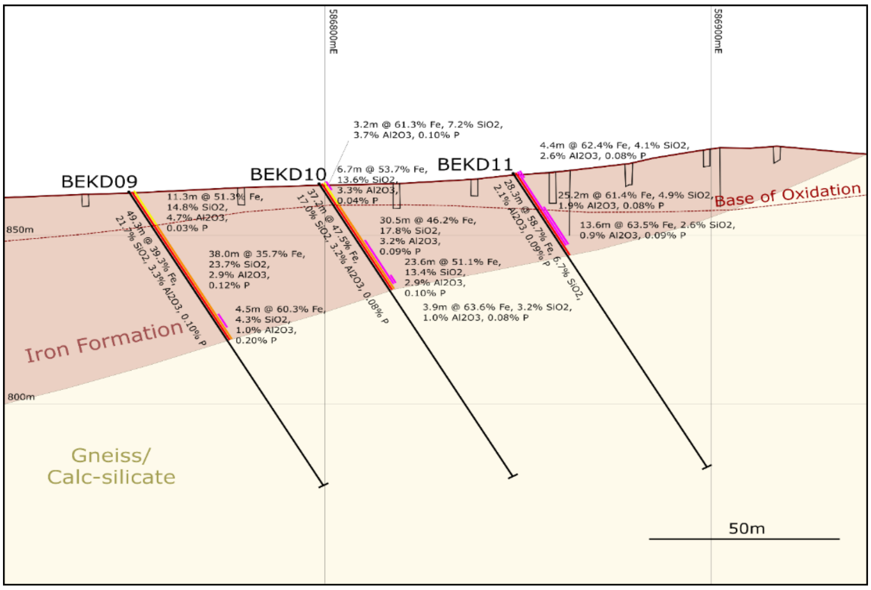

Figure 1
Cross section 2020 drill holes BEKD09, 10 and 11

Cross section 2020 drill holes BEKD09, 10 and 11 shows near surface iron levels of 61.3% and 62.4% with the iron mineralisation outcropping and at least 45 metres true thickness and increasing in thickness to the west and a mineralised zone width of some 200 metres.

The assay and process evaluation results were report to the ASX (*see* Announcements, dated 13 April 2021 and 27 April 2021). The drilling has identified that the iron mineralisation comprises what appears to be three distinct types of iron mineralisation; massive, coarse disseminated and fine disseminated, (*see* ASX Announcement, dated 25 June 2021). Process trials on 2mm coarse crushed drill core, using wet Low Intensity Magnetic Separation, showed conclusively that composites with massive and coarse disseminated iron mineralisation deliver on average a 62.8% iron product grade, better than benchmark grade, with low silica, alumina and phosphorus. These first pass and unoptimized LIMS trials achieved average recoveries of 89% iron, from head grades of 35.2%-61.8%, with the maximum product grade result of 68.3% Fe for massive and coarse mineralisation at a 2mm coarse crush, refer Figure 2.

(a) (b)

Figure 2

(a) Product from process trial BEKMET03, a composite of drill core from 2020 drill holes 1, 6 and 8 with a product grade of 68.3% iron and mass yield 80%.
(b) Product from process trial BEKMET04, a composite of weathered mineralisation from drill core from 2020 drill holes 9,10 and 11 with a product grade 66.9% iron and mass yield of 75%.

The near surface iron mineralisation is generally weathered therefore a higher iron grade and this massive iron mineralisation achieved an average 65.5% iron product grade at a 2mm coarse crush, this product would be classified as high-grade iron ore fines.

Crushing trials results

The Company continued to receive pleasing results from its crushing trials on 2020 drill cores taken from the Bekisopa project (*see* ASX announcement, dated 15 July 2021). These processing trials continue to show excellent iron ore product grades of 62% iron at a crush size of 3mm and 64% iron at a crush size of 2 mm from massive and coarse disseminated iron mineralization types. As expected, the iron grade increases proportionally with finer crush sizes while the silica, alumina, phosphorus and sulphur levels decrease substantially.

(a) (b) (c)

Figure 3

Crushing trial products on weathered composite BEKMET22 product grades at (a) 3mm, (b) 2mm and (c) 1mm crush sizes. These produced product grades of (a) 61%, (b) 63% and (c) 64% Fe, respectively. The 2mm crush size achieving an above benchmark grade of 63% Fe.

Analysis of the product grades achieved from all processing trials to date (*see* ASX Announcements, dated 13 April 2021, 27 April 2021 and 25 June 2021) shows the iron mineralization along the Bekisopa strike length can deliver high-grade iron products. The excellent product grades observed from along the strike and from the northern and southern zones, where the 2021 drill grids are planned, ranged from 60.7% to 68.3%Fe, averaging 65.2%Fe. Bekisopa product grades appear excellent when compared to globally traded iron ore products regarding high iron content and low impurity levels.

These trials confirm that a 2mm crush delivers quality high-grade iron ore fines products, resulting in the Company deciding for the JORC resource estimation to conduct product trials on drill core samples from the 2021 drilling campaign at 2mm and wLIMS (wet low intensity magnetic separation). This series of crushing trials confirms the favorable upgrading characteristics of the iron mineralization at Bekisopa in achieving high-grade clean iron ore fines products.

Commencement of 4,000-metre diamond drilling campaign

In June, the Company commenced its 4,000-metre drilling campaign at its flagship Bekisopa iron ore project after mobilizing drilling equipment and support in late May, *see* Figure 4. The campaign aims to deliver a JORC compliant initial resource by year-end (*see* ASX announcement, dated 31 May 2021). The Company will undertake this drilling programme at Bekisopa tenements PRE 3757 and PR 10430. During camp construction, a contractor received lacerations, first aid managed the injury, and the contractor will return to his employment. Establishing the camp and drilling has commenced well considering restrictions imposed due to COVID.

The campaign's timeframe assumes the Company can complete all necessary work activities (drilling, assaying, metallurgical test work and resource estimation) without being impacted by operation issues, Covid-19 in Madagascar. or limited international transport options to get samples for analysis to accredited

ALS laboratories. The various operational and logistical lessons learnt from the successful 2020 Bekisopa drilling programme will assist in managing the necessary steps to complete this drilling programme in as timely a manner as practical.

Figure 4

Bekisopa exploration camp site and geologists drill core preparation and evaluation areas.

The 2021 drill plan builds on results previously reported for the Bekisopa iron ore project, with the plan to complete 4,000 metres of diamond drill holes focusing on areas at the northern and southern limits of the main 6-kilometre strike. The proposed drilling program is set out in Figure 5.

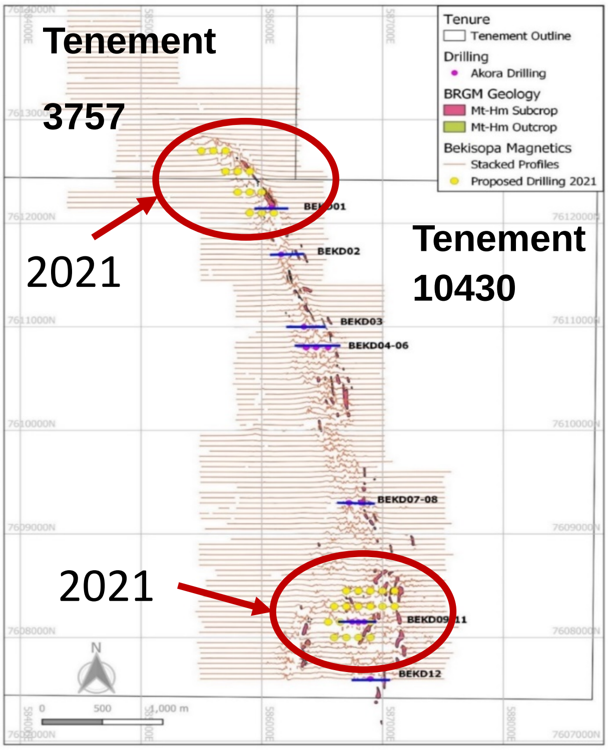

Figure 5

Bekisopa Proposed 2021 Drilling Plan

In the north, across tenements PRE 3757 and PR 10430, drilling is targeting a zone of high magnetic intensity and the encouraging drill intercept in 2020 drill hole BEKD01, at 200m line spacing to a depth of around 250 metres below surface.

In the south (tenement PR 10430), where continuous iron mineralization appears to be dipping more shallowly, 200m line spaced drilling will target shallower mineralization such as that intersected in 2020 drill holes BEKD09, 10 and 11, to a depth of about 150 metres below surface.

AKORA selected these drill grids to confirm the continuity of the known iron mineralization in these two zones, within the selected grid areas, and predominately to confirm the known mineralization to the west and at depth. These two drilling grids will only confirm the extent of the iron mineralization along some 30% of the 6 km strike. Therefore, depending on these drill results, the potential for a larger iron resource after further drilling is considerable.

The Company is pleased to report that there were no environment, social or governance issues in the in Madagascar during the half-year. As stated above, there was one injury to a contractor during construction of the Bekisopa camp site. The Company continued to build relationships with representatives of the Mining Ministry, the BCMM and with local regional and community government officials and leaders in the lead up to drilling activities at Bekisopa.

ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the board of directors wish to confirm that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX on 15 December 2020 and since its admission to the end of the reporting period (being 30 June 2021) in a way that is consistent with its business objectives.

Dividends

No dividends were declared and paid during the half-year.

Options

At as the date of this report, the unissued ordinary shares of the Company under unlisted options are as follows:

Grant date	Expiry date	Exercise Price	Option Number
7 December 2020	7 December 2022 (IPO Options)	$0.3000	8,592,266
7 December 2020	7 December 2022 (Escrow Options)	$0.3000	2,244,750
			10,837,016

Under the terms and conditions of the IPO the Company raised $5,000,000 with the issue of 20,000,000 shares at 25 cents per share. The Company also issued subscribers with a free-attaching unlisted option over ordinary shares with the options terms being one option for every two shares subscribed at an exercise price of 30 cents per option and with an expiry date of 2 years from the date of issue.

The Company granted Harbury Advisors Pty Ltd with 2,244,750 options over ordinary shares pursuant to its Letter of Engagement on the same terms and conditions as the IPO options. The options over ordinary shares issued to Harbury are subject have been escrowed by the ASX for a period of two years.

Performance rights

At as the date of this report, the unissued ordinary shares of the Company under performance rights are as follows:

Award date	Vest date	Accounting Price	Rights Number
13 April 2021	22 August 2022	$0.3800	400,000

Shareholders approved the award of 400,000 performance rights convertible into 400,000 fully paid ordinary shares for zero consideration to Mr MH Stirzaker on 13 April 2021. The Company has applied AASB 2 Share-based payments to value the award of performance rights.

Events After Balance Date

The Company continues to conduct its 2021 drilling programme at its Bekisopa iron ore project. The work programme is proceeding according to schedule.

Environmental Issues

The Company's projects are subject to the laws and regulations regarding environmental matters in Madagascar. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. The company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the company could be subject to liability due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances.

Information on Directors

The following persons were the directors in office as at the date of this report:

MH Stirzaker (Non-executive Chairman), appointed 22 August 2020
PG Bibby (Managing Director), appointed 9 July 2015
SL Fabian (Non-executive Director), appointed 7 January 2017
JM Madden (Executive Director and Company Secretary), appointed 6 October 2009

Proceedings on Behalf of Company

The Company has no outstanding or pending litigation whether brought by the Company or brought against the Company by a third party.

Non-Audit Services

There were no non-audit services provided by the Company's external auditor.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

This report of the directors is signed in accordance with a resolution of the Board of Directors.

M. Stirzaker.

MH Stirzaker
Chairman

Dated this 5 August 2021

HALL CHADWICK

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of AKORA Resources Limited for the half year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,

Hall Chadwick

HALL CHADWICK
Chartered Accountants

D Bell

DOUG BELL CA
Partner

Dated at Perth this 5th day of August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Note	Half-Year 30 June 2021 $	30 June 2020 $
Total revenue and other income		**38**	45
Expenditure			
Administration costs		**(58,849)**	(25,824)
Contractors and consultants		**(146,398)**	(32,885)
Depreciation		**(2,358)**	(2,430)
Employee costs		**(273,731)**	(158,839)
Exchange fluctuation			
Cash balances		**45,086**	50,190
Cline outstanding obligations		**-**	(2,120)
Listing costs		**(34,000)**	(69,211)
Provisions		**(19,634)**	6,241
Secretarial costs		**(31,754)**	
Share-based payments		**(18,449)**	-
Travel		**(2,303)**	(8,695)
Other		**(4,082)**	(2,984)
Total expenditure		**(546,472)**	(246,557)
Profit/(loss) before tax for the half-year		**(546,434)**	(246,512)
Income tax (expense)/benefit		**-**	-
Net profit/(loss) after tax for the half-year		**(546,434)**	(246,512)
Net profit/(loss) for the half-year attributable to:			
Non-controlling interests		**-**	(35,454)
Owners of AKORA Resources Limited		**(546,434)**	(211,058)
		(546,434)	(246,512)
Items that have been or may be subsequently reclassified to profit or loss			
Translation reserve			
Non-controlling interests		**-**	22,425
Owners of AKORA Resources Limited		**(351,470)**	(60,455)
Total comprehensive income for the year		**(351,470)**	(38,030)
Total comprehensive income/(loss) for the year attributable to:			
Non-controlling interests		**-**	(13,029)
Owners of AKORA Resources Limited		**(897,904)**	(271,513)
		(897,904)	(284,542)
Loss per share	**3**		
Basic earnings per share/cents		**(0.900)**	(0.690)
Diluted earnings per share/cents		**(0.900)**	(0.690)

The accompanying notes form part of these financial statements

	Note	30 June 2021	31 December 2020
		$	$
Assets			
Current assets			
Cash and cash equivalents	**5**	**3,704,972**	4,769,912
Receivables		**17,129**	31,525
Other		**2,369**	2,326
Total current assets		**3,724,470**	4,803,763
Non-current assets			
Exploration and evaluation	**6**	**4,288,367**	3,770,077
Property plant and equipment		**7,889**	10,192
Total non-current assets		**4,296,256**	3,780,269
Total assets		**8,020,726**	8,584,032
Liabilities			
Current liabilities			
Payables		**262,554**	256,879
Provisions		**34,603**	14,749
Total current liabilities		**297,157**	271,628
Total liabilities		**297,157**	271,628
Net assets		**7,723,569**	8,312,404
Equity			
Contributed equity	**7**	**24,762,863**	24,467,443
Other contributed equity		**-**	4,800
Reserves		**(301,884)**	31,137
Accumulated losses		**(16,737,410)**	(16,190,976)
Total equity		**7,723,569**	8,312,404

The accompanying notes form part of these financial statements

	Share Capital	Other Contributed Equity	Translation Reserve	Share-based Payments	Other Reserves	Accumulated Losses	Attributable to Shareholders of AKORA	Equity Attributable to Non-controlling Interests	Equity
	$	$	$	$	$	$	$	$	$
As at 31 December 2019	18,832,748	221,893	(161,038)	-	-	(14,734,436)	4,159,167	134,818	4,293,985
Transactions with owners in their capacity as owners of the Company									
Share issues	-	-	-	-	-	-	-	-	-
Equity raising costs	-	-	-	-	-	-	-	-	-
Share-based payments	636,600	-	-	-	-	-	636,600	-	636,600
	636,600	-	-	-	-	-	636,600	-	636,600
Net loss for the period	-	-	-	-	-	(211,058)	(211,058)	(35,454)	(246,512)
Other comprehensive income	-	-	(60,455)	-	-	-	(60,455)	22,425	(38,030)
Total comprehensive income	-	-	(60,455)	-	-	(211,058)	(271,513)	(13,029)	284,542
Newly consolidated entities									
Income and expense for the period recognised directly in equity	-	-	-	-	-	-	-	-	-
As at 30 June 2020	19,469,348	221,893	(221,493)	-	-	(14,945,494)	4,524,254	121,789	4,646,043
As at 31 December 2020	**24,467,443**	**4,800**	**(263,684)**	**268,111**	**26,710**	**(16,190,976)**	**8,312,404**	**-**	**8,312,404**
Transactions with owners in their capacity as owners of the Company									
Share issues	-	-	-	-	-	-	-	-	-
Equity raising costs	-	-	-	-	-	-	-	-	-
Other contributed equity	**4,800**	**(4,800)**	-	-	-	-	-	-	-
Exercise of options over ordinary shares	**290,620**	-	-	-	-	-	**290,620**	-	**290,620**
Share-based payments	-	-	-	**18,449**	-	-	**18,449**	-	**18,449**
	295,420	**(4,800)**	-	**18,449**	-	-	**309,069**	-	**309,069**
Net loss for the period	-	-	-	-	-	**(546,434)**	**(546,434)**	-	**(546,434)**
Other comprehensive income	-	-	**(351,470)**	-	-	-	**(351,470)**	-	**(351,470)**
Total comprehensive income	-	-	**(351,470)**	-	-	**(546,434)**	**(897,904)**	-	**(897,904)**
Income and expense for the period recognised directly in equity	-	-	-	-	-	-	-	-	-
As at 30 June 2021	**24,762,863**	**-**	**(615,154)**	**286,560**	**26,710**	**(16,737,410)**	**7,723,569**	**-**	**7,723,569**

The accompanying notes form part of these financial statements

	Note	Half-Year 30 June 2021 $	30 June 2020 $
Cash flows from/(used) in operating activities			
Payments to employees and suppliers		**(700,361)**	(282,240)
Interest received		**38**	45
Net cash flows from/(used) in operating activities		**(700,323)**	(282,195)
Cash flows from/(used) in investing activities			
Exploration and evaluation expenditure		**(700,323)**	(6,500)
Property plant and equipment		**-**	(2,482)
Net cash flows from/(used) in investing activities		**(700,323)**	(8,982)
Cash flows from financing activities			
Exercise of options over ordinary shares		**290,620**	-
		290,620	-
Net cash flows		**(1,110,026)**	(291,177)
Cash and cash equivalents as at the start of the financial period		**4,769,912**	2,091,819
Exchange fluctuation		**45,086**	50,190
Cash and cash equivalents as at the end of the financial period	**5**	**3,704,972**	1,850,832

The accompanying notes form part of these financial statements

Note 1 Corporate information

The Financial Statements of AKORA Resources Limited (hereafter referred to as the "parent entity") and its controlled entities comprising Malagasy Holdings (Tratramarina Pty Ltd and its controlled entity Universal Exploration Madagascar sarl) and Malagasy Holdings (Bekisopa) Pty Ltd and its controlled entity Iron Ore Corporation of Madagascar sarl) for the half-year ended 30 June 2021.

The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on 5 August 2021.

The parent entity is as at the date of this Half Year Report a listed public entity limited by shares and incorporated in Australia.

The principal activities of the parent entity are exploration for ferrous metals.

Note 2(a) Basis of preparation and accounting policies

Preparation
The condensed financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The financial statements have been prepared on a going concern basis.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 annual financial report for the financial year ended 31 December 2020, except for the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standard and with International Financial Reporting Standards.

Statement of compliance
The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial report was issued on 5 August 2021 by the directors of the Company.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2020 and any public announcements made by Akora Resources Limited during the half-year.

Going concern
The Group recorded a net loss of $546,434 (2020: net loss of $246,512) and incurred cash outflows from operating and investing activities of $1,400,646 for the half-year ended 30 June 2021 (2020: $291,177). As at 30 June 2021, the Group had working capital of $3,427,313 (31 December 2020: $4,532,135).

The Group is committed to conducting a Phase II drilling campaign at its Bekisopa project on the basis set out in its prospectus, dated 12 November 2020. Expenditure on exploration is inclusive of, but not limited to, those amounts identified in Note 6. In addition, the Group will incur corporate costs associated with its on-going obligations as a listed entity on the ASX and its contractual obligations to executives.

As at balance date, 30 June 2021, the Group has sufficient funds to implement its proposed plans and extinguish obligations as and when required for the next 12-months.

Critical accounting estimates
The preparation of the financial report requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial report are disclosed in this Note 2(a).

Note 2(b) Principles of consolidation

The consolidated financial statements comprise the financial statements of AKORA Resources Limited and its controlled entities as at and for the period ended 30 June each year (the Group).

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies, in preparing and consolidated financial statements, all inter-parent entity balances, transactions, unrealised gains and losses resulting from the intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in controlled entities by AKORA Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the entity acquired. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the identifiable assets acquired less the liabilities assumed and the fair value of the consideration is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measures based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Note 3 **Loss per share**

	30 Jun 2021 $	30 Jun 2020 $
Loss from continuing operations for the year	**(546,434)**	(246,512)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	**60,735,595**	35,945,273
Basic and diluted loss per share (cents per share)	**(0.900)**	(0.690)

Note 4 **Segment reporting**

The Group operates solely in the mining exploration industry.

The Group determines operating segments by reference to internal reports that are reviewed and used by the executive management team, being the chief operating decision makers (CODMs) in assessing performance and determining the allocation of resources. Two CODMs have been identified – Australia and Madagascar.

For the half-year ended 30 June 2021	Australia	Madagascar	Total
	$	$	$
Segment revenue	38	-	38
Segment result	(540,918)	(28,071)	(568,989)
Amounts not included in segment results but reviewed by the boards:			
Expenses not directly allocable to identifiable segments			
Exchange fluctuation			45,086
Share-based payments			(18,449)
Other			(4,082)
Loss after income tax			(546,434)
As at 30 June 2021			
Segment assets	3,686,993	4,333,733	8,020,726
Segment liabilities	100,943	196,214	297,157
Segment asset increases for the period:			
Capital expenditure	-	518,292	518,292
Impairment of exploration assets	-	-	-
	-	518,292	518,292

For the half-year ended 30 June 2020	Australia	Madagascar	Total
	$	$	$
Segment revenue	45	-	45
Segment result	(293,718)	-	(293,718)
Amounts not included in segment results but reviewed by the boards:			
Expenses not directly allocable to identifiable segments			
Exchange fluctuation			50,190
Share-based payments			-
Other			(2,984)
Loss after income tax			(246,512)
As at 31 December 2020			
Segment assets	4,716,039	3,867,993	8,584,032
Segment liabilities	195,737	75,891	271,628
Segment asset increases for the period:			
Capital expenditure	-	636,948	636,948
Impairment of exploration assets	-	-	-
	-	636,948	636,948

Note 5 **Cash and cash equivalents**

	30 June 2021 $	31 December 2020 $
Cash in hand	**36**	35
Cash at bank	**2,364,922**	4,758,968
Short-term deposits	**1,340,014**	10,909
	3,704,972	4,769,912

Note 6 **Exploration and evaluation**

	30 June 2021 $	31 December 2020 $
At start of financial year	**3,770,077**	3,133,129
Additions	**869,640**	728,906
Exchange fluctuation	**(351,350)**	(91,958)
At end of financial year	**4,288,367**	3,770,077

The carrying value of exploration and evaluation expenditure at balance date is represented by the following projects:

Ambodilafa	1,421,213	1,423,863
Bekisopa	2,209,397	1,379,754
Tratramarina	657,757	966,460
	4,288,367	3,770,077

Ambodilafa Farm-in Agreement

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

- Stage 1 US$1.0 million expenditure 51%
- Stage 2 US$1.0 million expenditure 81% (cumulative)

Stage 3 US$1.0 million expenditure 90% (cumulative)

The Company is required to give notice to Jubilee each time it has expended US$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for $1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 30 June 2021, the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

In October 2017, the Ministry of Mines lifted the moratorium on the renewal, transfer, and transformation of existing tenements; however, the progress in addressing the backlog has been slow. Malagasy counsel for the Company has concluded that the renewal and transformation applications submitted to the BCMM for permits held by the Company and confirmed that in each case the application was made in a form, which was acceptable to the BCMM and is deemed to hold beneficial title to these tenements. Accordingly, Malagasy counsel see no evidence, which would suggest that the Ministry of Mines would withhold its approval in respect of the renewal of the permits concerned and at this point in time the company has access to these tenements.

The Company has sighted BCMM approved renewals and transformation of its tenements. The documents are now awaiting ministerial seal. The Company has accrued the 2021 annual administration fees outstanding as at 30 June 2021. The government wishes to increase the annual administration fees by approximately 7.5%; however, the increase requires approval of the Assemblee Nationale which has not been able to sit this year due to Covid-19 lockdowns that have been implemented on a rolling basis throughout Madagascar

Note 7 **Contributed equity**

	Number	**$**
At 31 December 2019	378,339,931	18,832,748
Issue of shares		
Acquisition of non-controlling interest	10,796,400	269,910
Directors and management	31,830,000	636,600
Share placement	12,752,471	221,893
	433,718,802	19,961,151
Consolidation of shares	(394,289,814)	-
Adjusted share capital	39,428,988	19,961,151
IPO shares	20,000,000	5,000,000
Shares issued to Harbury Advisory Pty Ltd	200,000	50,000
Exercise of IPO options	423,000	126,900
	60,051,988	25,138,051
Equity raising costs	-	(670,608)
As At 31 December 2020	60,051,988	24,467,443
As At 31 December 2020	**60,051,988**	**24,467,443**
Issue of shares		
Exercise of options over ordinary shares	**984,734**	**295,420**
Equity raising costs	**-**	**-**
	984,734	**295,420**
As At 30 June 2021	**61,036,722**	**24,762,863**

Ordinary shares
Ordinary shares have the rights to receive dividends as declared and, in the event of winding up, participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, the shares held.

Each fully paid ordinary share carries one vote.

Ordinary shares issued to shareholders since incorporation have had no par value.

Note 8 **Share-based payments**

Options over ordinary shares

	30 June 2021		31 December 2020	
	Number of Options	**Weighted Average Price**	Number of Options	Weighted Average Price
Opening balance	**2,244,750**	**0.1194**	-	-
Options:				
Granted	**-**	**-**	2,244,750	0.1194
Cancelled	**-**	**-**	-	-
Expired	**-**	**-**	-	-
Closing balance	**2,244,750**	**0.1194**	2,244,750	0.1194

Pursuant to a Letter of Engagement with Harbury Advisors Pty Ltd, the Company granted Harbury 2,244,750 options over ordinary shares with an exercise price of 30 cents per option over ordinary share and an expiry date two years from the date of the completion of the IPO raising (7 December 2022). The options over ordinary shares issued to Harbury were valued using a Black-Scholes model.

In addition, the Company issued 10,000,000 options over ordinary shares to investors in the IPO and as at balance date 30 June 2021 there were 8,592,266 options over ordinary shares with an expiry date being 7 December 2022 and an exercise price of 30 cents per option over ordinary share.

The number of options on issue as at balance date 30 June 2021 are:

Expiry date	**Exercise Price**	**Option Number**
7 December 2022 (IPO Options)	$0.3000	8,592,266
7 December 2022 (Escrow Options)	$0.3000	2,244,750
		10,837,016

Performance rights
On 13 April 2021, shareholders approved the award of 400,000 performance rights to Mr MH Stirzaker which will convert into 400,000 ordinary shares fully paid ordinary share. The performance rights vest 2 years from the date of award for zero consideration.

In accordance with AASB 2 *Share-based payments*, an amount of $18,449 was charged to the Statement of Comprehensive Income for the half-year.

Note 9 **Commitments**

Exploration and evaluation expenditure commitments
Under 99-022 Mining Code (*portant Code minier*), the Group does not have any expenditure commitments on its tenements other than the annual renewal fees (*frais annuel*

d'administration) which are payable to the Madagascar Mining Cadastre Bureau (*Bureau du Cadastre Minier de Madagascar*).

The annual renewal fees for Ambodilafa tenements, held by Mineral Resources of Madagascar sarl, an entity controlled by Jubilee Metals Group plc, are approximately $15,000 for the 2021 renewal period. Mineral Resources of Madagascar sarl is the entity through which the Company earns its equity interest in the Ambodilafa tenements

The Company is awaiting the issue of the 2021 annual administration fees to be issued by the BCMM. The government wishes to increase annual administration fees by 7.5% per annum; however, the approval of the increase requires confirmation by the *Assemblee Nationale* which has not been able to confirm the increase as a result of delays to sittings of the legislature due to rolling lockdowns in Antananarivo for Covid-19.

During 2020, the Minister for Mines and BCMM advised tenement holders that their rights will be confirm where all annual administration fees have not fallen into arrears. The Company has paid all its annual administration fees for previous years and therefore, is in compliance with the statements made by the government.

Further, the Company has sighted BCMM approved renewals and transformation of its tenements. The documents are now awaiting ministerial seal.

Note 10 Financial obligations of the Company and its controlled entity Universal Exploration Madagascar sarl

The Company
Ambodilafa tenements
On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

-	Stage 1 US$1.0 million expenditure	51%
-	Stage 2 US$1.0 million expenditure	81% (cumulative)
	Stage 3 US$1.0 million expenditure	90% (cumulative)

The Company is required to give notice to Jubilee each time it has expended US$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for $1.5 million through either shares or cash or a royalty or a combination of these methods.

As at 30 June 2021, the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement. In such circumstances, the Company is entitled to 100% of the mineral rights to the Commodities as defined by the above-mentioned agreement.

Universal Exploration Madagascar sarl
On 23 June 2011, Universal Exploration Madagascar sarl (UEM) acquired two Reserved Licences for Small Mining Developers (*du Permis Reserve Aux Petits Exploitants ou Permis*) prospective for magnetite (the Tratramarina West tenements) by paying US$200,000 and agreeing to pay, on the election of UEM, US$250,000 (First Option) and US$350,000 (Second Option) in 2012 and 2013, respectively, if UEM sarl elects to continue to explore and expend monies on the permits. In addition, if Universal Exploration Madagascar sarl undertakes a Mine Development that incorporates magnetite ore sourced from the Tratramarina West tenements, a royalty of 0.35% will be paid on the net sales revenue generated on magnetite concentrate produced from the Tratramarina West prospects. The Tratramarina West tenements are adjacent to the Tratramarina East.

UEM has exercised both the First and Second Options and therefore, has acquired 100% of the PRE and accordingly, the outstanding obligation of UEM under the Mining Permit Sale Agreement is a royalty equal to 0.35% of net sales revenue.

Note 11 **Events after balance date**

The Company continues to conduct its 2021 drilling programme at its Bekisopa iron ore project. The work programme is proceeding according to schedule.

Note 12 **Contingent liabilities**

The Company has no contingent liabilities, other than that disclosed in Note 10.

In accordance with a resolution of the board of directors of AKORA Resources Limited. I state that:

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the accounting standards and giving true and fair view of the financial position as at 30 June 2021 and its performance for the half-year then ended.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors

MH Stirzaker
Chairman

Dated this 5 August 2021

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AKORA RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of AKORA Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AKORA Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a) Giving a true and fair view of AKORA Resources Limited's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and

b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibilities for the Financial Report

The directors of the AKORA Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK
Chartered Accountants

D Bell

DOUG BELL CA
Partner

Dated at Perth this 5th day of August 2021