



Oar Resources Limited and its Controlled Entities

ACN 009 118 861

**Half Year Report
31 December 2023**

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CORPORATE DIRECTORY

BOARD OF DIRECTORS & EXECUTIVE

Mr Paul Stephen – Managing Director

Mr Christopher Gale – Non-Executive Chairman

Mr David Vilensky - Non-Executive Director

Mr Anthony Greenaway - Non-Executive Director

COMPANY SECRETARY

Mr Yugi Gouw

AUDITORS

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REVIEW OF OPERATIONS

COMPANY OVERVIEW

Oar Resources Limited (“OAR” or “the Company”) is an exploration and development company focused on expanding and developing a portfolio of fully owned battery and critical minerals assets to help meet rising global demand.

OAR has a diverse range of prospective sites across its expansive Western Eyre Peninsula tenement package in South Australia, including the OAR Graphite Project, and the newly reviewed areas that show Rare Earth Element (REE) potential. In Western Australia, OAR holds the Crown PGE-Nickel-Copper Project near Julimar, as well as the Denchi Lithium Project in the Northern Goldfields.

The Company holds the rights to a gold exploration project in the highly prospective Walker Lane region of Nevada, USA, which has several neighbouring multi-million-ounce deposits. Through its subsidiary Ozinca Peru SAC, OAR also has ownership of a gold lixiviation plant in Peru, strategically positioned near thousands of small gold miners.

PROJECTS

WESTERN EYRE PENINSULA, SOUTH AUSTRALIA

OAR’s 100% owned, tenement package in the Western Eyre Peninsula, covers an extensive 1,520km² of the Gawler Craton in South Australia which has a long and well documented exploration history. However, as the review progressed, it became apparent that a large portion of the historic data was not available digitally. In an effort to better understand the validity of this historical work and to guide further exploration efforts, the Company engaged with specialist consultancy firm, Terra Resources, to digitise and compile all historic geological and geophysical data across the entire project area.

ALKALINE INTRUSIVE REE, EYRE PENINSULA, SOUTH AUSTRALIA

OAR received highly encouraging rare earth element (REE) results¹, from more than 260 historical clay hosted, oxidised drill samples identified during the project-wide analysis of historic exploration.

Although TREO values of up to 2,806ppm were returned from the assaying of historic drill samples on loan from DEM, the Company decided to conduct early leachability testwork to determine if mineralisation was of the Ionic Adsorption Clay (IAC) type.

A series of industry standard leachability tests were conducted at Labwest in Perth, on samples selected from a combined 10 holes, comprising five targets from both the Conical Hill and Hill 55 Prospects (see *Figure 1*).

¹ Refer to ASX Announcement released 5 October 2023

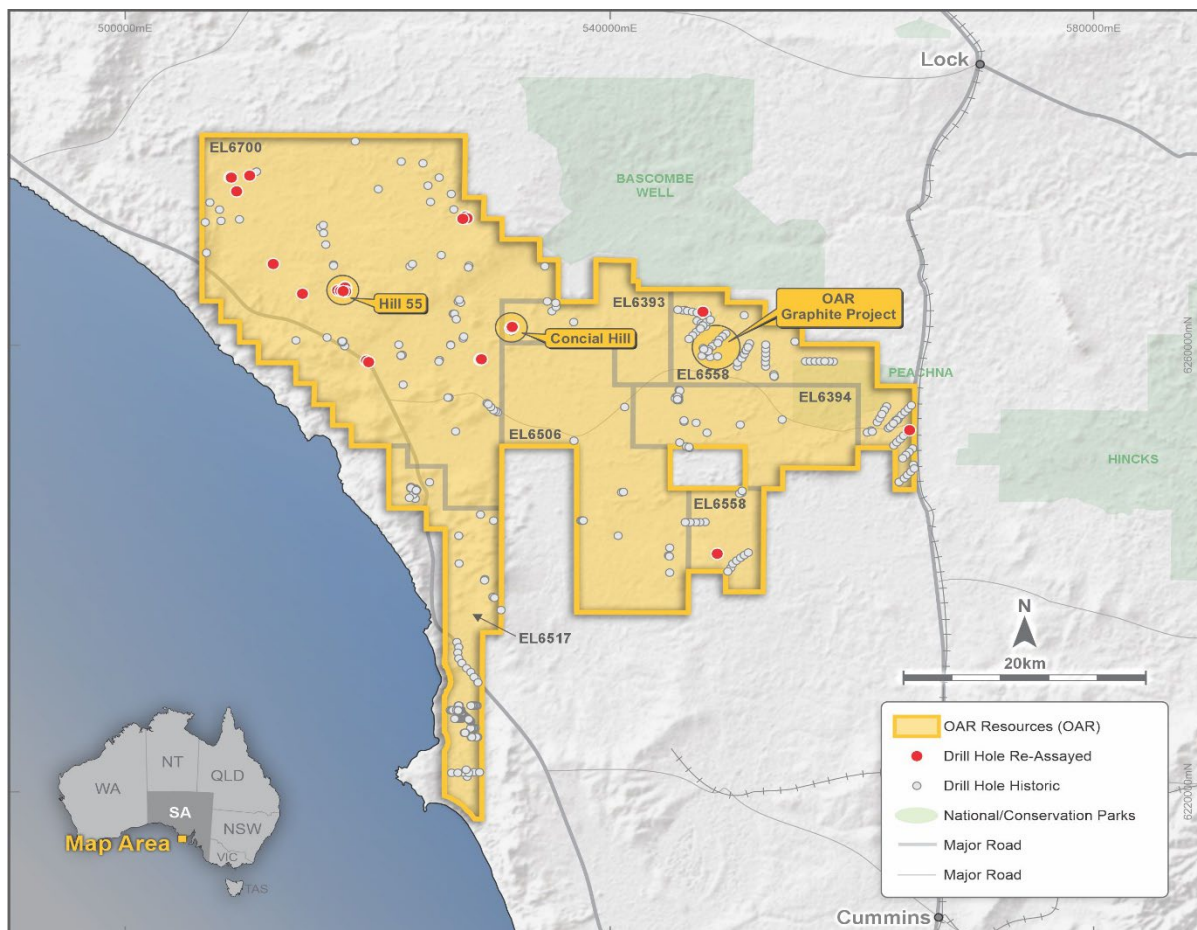


Figure 1. OAR Resource's 100 per cent owned Tenement holdings in the Western Eyre Peninsula (WEP) South Australia showing locations of compiled historic drilling and re-assayed holes with logged lithologies prospective for REE and Lithium

Traditional IAC REE deposits are relatively low grade (1-2000ppm TREO) but have a very low cost of extraction due to low or no acid required to leach the weak or ionically bonded REEs. This is in stark contrast to Alkaline Intrusive, also referred to as "Hard Rock" hosted REE mineralisation, which is significantly higher grade (>3% TREO) and requires very low pH processing to extract the REEs.

The results of these tests revealed the REE's present at Conical Hill and Hill 55 were not ionically bonded (IAC) and determined uneconomic quantities of acid would be required to effectively liberate the relatively low concentrations of REE's.

The deeper, unoxidized portion of the alkaline intrusives identified at Conical Hill and Hill 55 remains untested by drilling and may provide higher REE grades which can justify the additional processing costs associated with lower pH, acid-based extraction.

All oxidised drill samples have been returned to the DEM storage facility in Adelaide.

OAR GRAPHITE PROJECT, EYRE PENINSULA, SOUTH AUSTRALIA

The 100%-owned Oar Graphite Project is situated in the heart of the Eyre Peninsula and has been listed as a Critical Minerals Project by the Federal Government. Formerly known as the Oakdale Graphite Project, this asset has an existing resource for large-flake graphite and has previously demonstrated promising potential for shallow, low-cost, open pit mining.

In Tandem with the project wide data review and compilation, OAR tasked Terra Resources with developing the most cost-effective geophysical exploration strategy for graphite on a regional scale in the Western Eyre Peninsula tenure.

This involved further delineating targets, streamlining the targeting procedure, and exploring additional methods for optimising graphite exploration within the tenure.

The current indicated and inferred Mineral Resource Estimate (MRE) is 13.47Mt at 3.3% TGC, including a higher-grade portion of 6.31Mt at 4.7% TGC, and encompasses an area of ~1,300m in strike length.

Prospective graphitic lithology was interpreted to have a strike length of ~11,000m. Remodelling of geophysical data has generated numerous geophysical drill targets associated with the prospective lithological interpretation. (see *Figure 3*).

OAR intends to test the full extent of this, as well as the newly identified areas, in future drilling campaigns including a 5,000m air core (AC) drilling program which is currently fully permitted by the South Australian Department of Energy and Mining (DEM).

Metallurgical Test

In October 2023, OAR despatched eight samples from two historic holes (OAD001 and OAD004, refer Table 1) to the Beijing General Research Institute of Mining and Metallurgy (BGRIMM) for metallurgical analysis to produce a saleable natural graphite concentrate and to determine the potential economic significance of this product.

Table 1. Details of samples submitted for metallurgical evaluation by BGRIMM.

HOLE_ID	Sample No	From (m)	To (m)	Interval (m)	TGC%	weight (g)
OAD001	L80001	26.6	27.3	0.7	14.3	774
OAD001	L80006	30.8	31.8	1	14.1	680
OAD001	L80007	31.8	32.2	0.4	25.1	696
OAD001	L80008	32.2	33.2	1	13	1960
OAD001	L80009	33.2	33.8	0.6	13.2	1216
OAD001	L80014	37.8	38.8	1	11.3	886
OAD004	L80115	52.8	53.8	1	10.9	4388
OAD004	L80123	60.8	61.8	1	9.3	4558

Results from this test work indicate a natural graphite concentrate with a fixed carbon content of 95.6% can be generated using commercialised processing techniques, which can generate a premium product (see *Figure 2*).

The Company is currently preparing additional samples to be sent to BGRIMM facility in Beijing, China, to further optimise processing flowsheets and create additional concentrate for potential anode evaluation.

OAR is currently in discussions with the world's leading lithium-ion battery anode producer and natural graphite end-users, who will evaluate this concentrate for downstream use and guide potential offtake agreements.

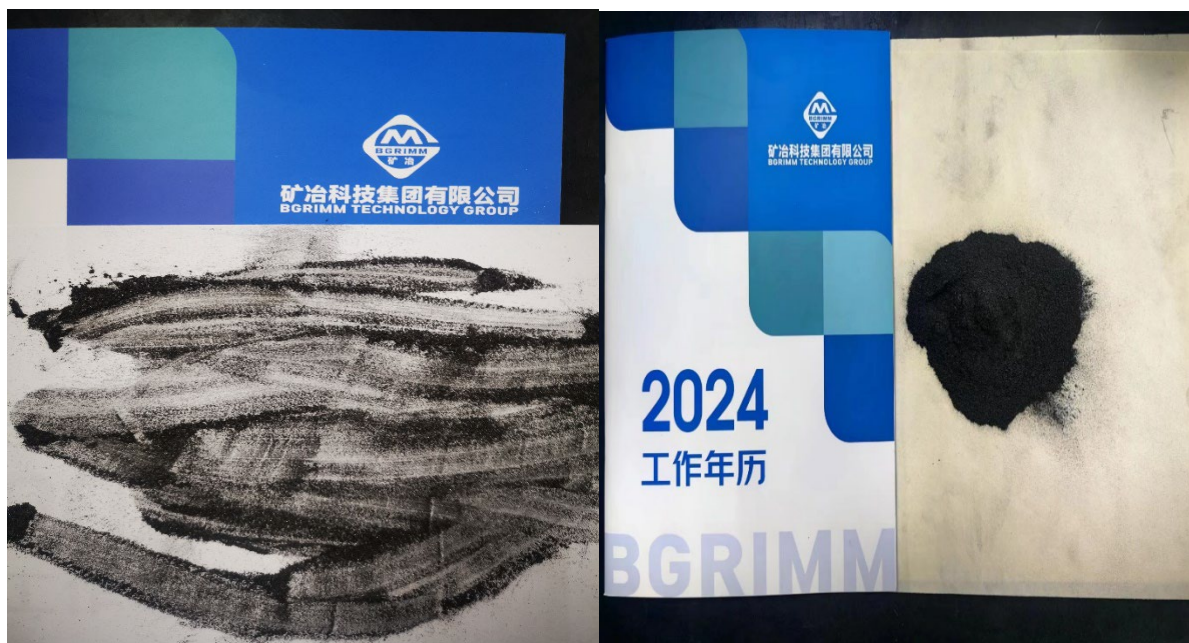


Figure 2. Graphite concentrate produced from the metallurgical samples from the Oar Graphite Project

Exploration Target

The proposed drilling is planned to target 8 geophysical anomalies interpreted to be associated with the same graphitic unit that hosts the current MRE, which combines the Oar and Oar East Graphite projects. (Figure 3).

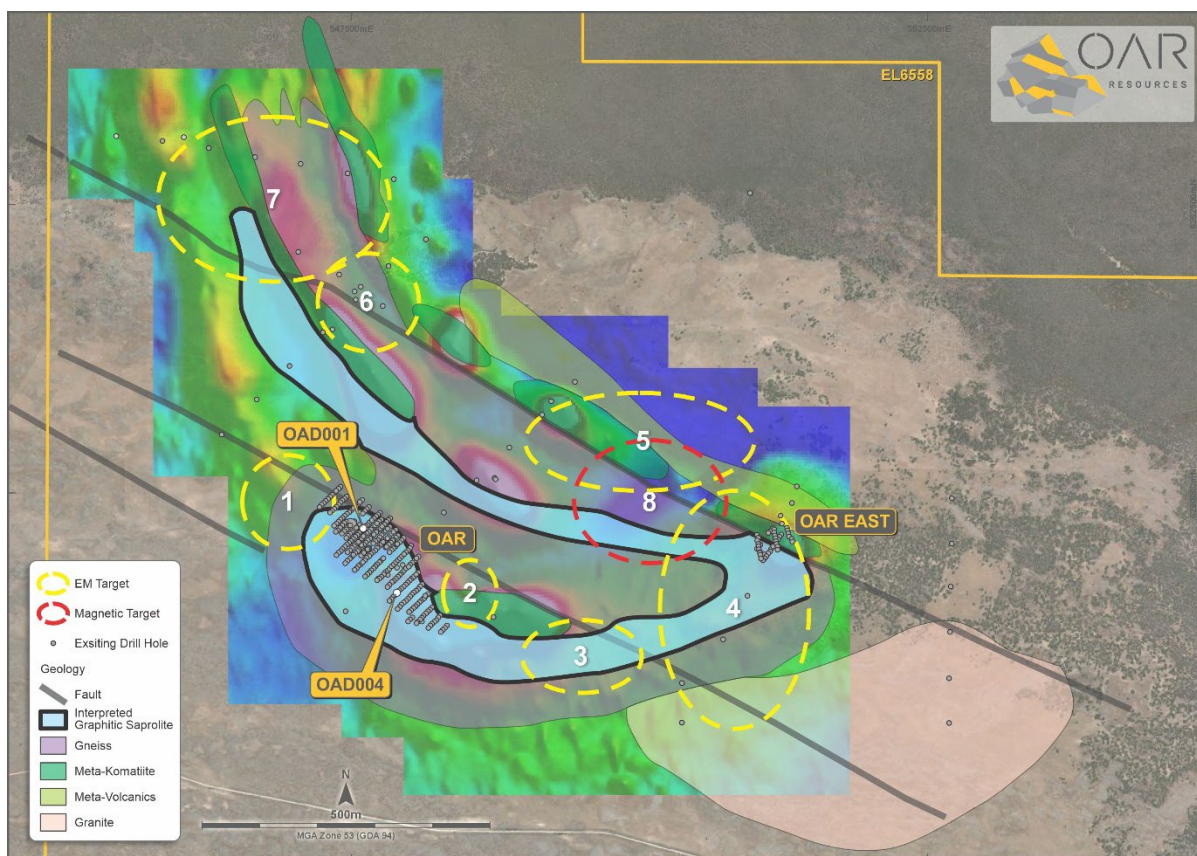


Figure 3. OAR Resources Graphite Exploration Targets highlighting the interpreted graphitic host lithology.

Table 2. OGP - Updated Exploration Target.

Tonnes (Mt)	Grade (%TGC)	Contained Graphite (Mt)
30-50	3.3 – 4.7	1 -2

DENCHI LITHIUM PROJECT, NORTHERN GOLDFIELDS, WESTERN AUSTRALIA

The Denchi Lithium Project is situated near Wiluna in Western Australia's Northern Goldfields region and has historic lithium and rubidium anomalies reported from historic rock chips.

The activity undertaken during the 2023 calendar year, saw the Company's tenement holding in the region expand with the further tenement applications being granted, which increased the Company's landholding to a combined area of 787.4km². Systemic surface exploration at the project continued, with a focus on wide-spread reconnaissance and mapping of previously identified outcropping pegmatites.

DOUGLAS CANYON GOLD-SILVER PROJECT, NEVADA, USA

The 100%-owned Douglas Canyon Gold-Silver Project is located in the prolific gold-silver region of Southern Nevada, USA, which hosts numerous high-grade projects.

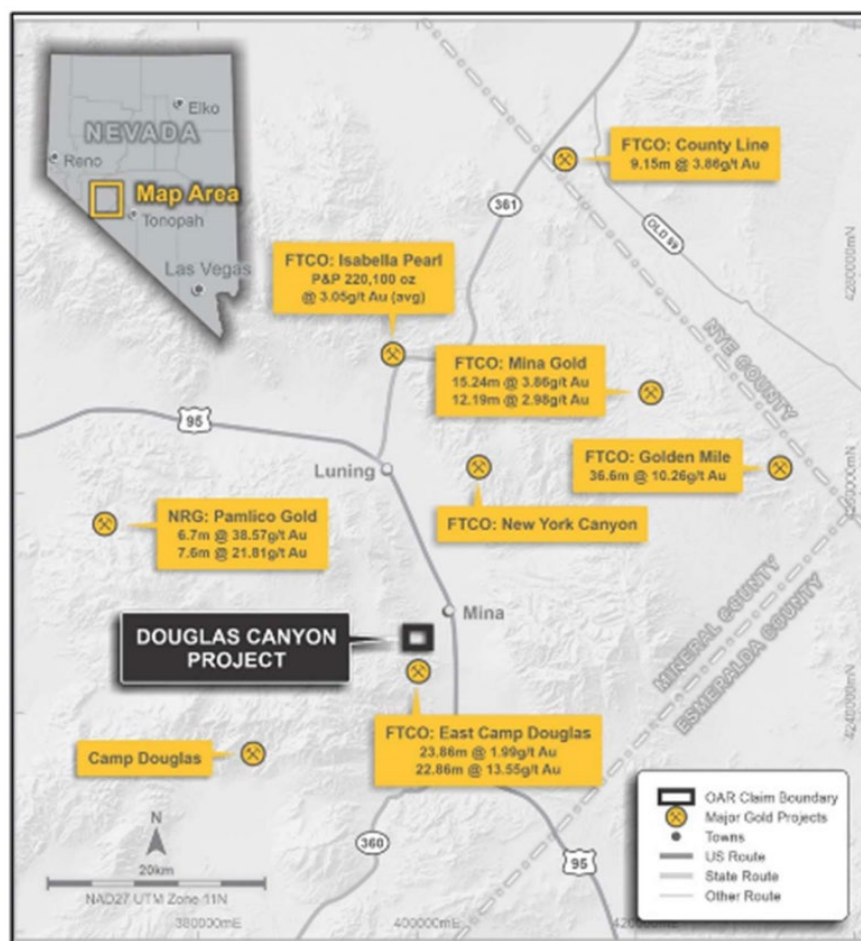


Figure 4. Douglas Canyon Project location map

OAR continues to actively seek joint venture partners to augment the project's exploration potential and future activity. Earlier in 2023, reconnaissance geological mapping was undertaken within the western extension of the project area. Results revealed extensive andesite volcanics or rhyolite tuffs as well as quartz veins, which were able to be sampled. Results from gold and silver analysis of 13 select samples of potentially mineralised quartz vein material during the 2023 financial year reinforced the project's exploration potential.

CHIMU GOLD PLANT – PERU

OAR continues to maintain its 100%-owned Chimu Gold Project in Peru as the Company assesses options to commission or divest.

The project remains fully permitted and construction ready, with licensing in place to process up to 340 tonnes per day. The surrounding Southern Peru region hosts a significant number of small gold producers accustomed to similar processing arrangements.

During the period, discussions commenced with a number of parties with a view to fund the development or divest the project, enabling OAR to focus on battery and critical mineral projects.

CORPORATE

BOARD AND MANAGEMENT APPOINTMENT

At the beginning of August, OAR appointed CEO Mr Paul Stephen to the position of Managing Director, effective immediately (*ASX announcement, 7 August 2023*). Mr Stephen has held directorships across ASX, London and Canadian Stock Exchange listed companies, and has strong knowledge of operations and compliance across multiple jurisdictions.

As co-founder and Executive Director of Crusader Resources Ltd, operating in Brazil, Mr Stephen oversaw the discovery, development and operations of the Posse Iron Ore mine and the discovery and delineation of more than 2.6 million ounces of gold.

Mr Stephen was first appointed as Chief Executive Officer of OAR in November 2022, and has continuously looked for new opportunities to expand the Company's critical mineral and rare earth exploration and development potential in Australia and overseas.

COMPLETION OF UNMARKETABLE PARCEL SALE FACILITY

OAR initiated a Small Share Parcel Sale Facility, which allowed holders of the Company ordinary shares valued at less than \$500 to dispose their holdings without incurring brokerage or other sale costs (*ASX announcement, 26 June 2023*).

The Small Share Parcel Sale Facility was completed on 30 August 2023 (*ASX announcement 31 August 2023*). A total of 1,598 shareholders with an aggregate of 117,696,730 shares participated in the Facility. The shares were sold at an average price of \$0.0049 each. The reduction of the Company's shareholder base by 1,598 shareholders will significantly reduce the Company's administrative and corporate costs moving forward.

SALE OF NON-CORE GIBRALTAR HALLOYSITE-KAOLIN PROJECT

The Company entered a binding Tenement Sale Agreement for its non-core Gibraltar Halloysite-Kaolin Project in South Australia to ESG Minerals Pty Ltd (ESG), returning an all-cash consideration of \$500,000 excluding GST (*ASX announcement, 21 November 2023*).

The strategic sale enables the Company to generate its own funding for OAR's critical mineral exploration across the Western Eyre Peninsula tenure and provide non-dilutive working capital.

The agreement will result in a divestment of a portion of EL6506 equal to approximately 80km² of the original 316km² tenement, with the remaining portion to be retained by the Company.

ESG is a wholly-owned subsidiary of Latin Resources Limited (ASX:LRS) and will use the area for ongoing development of their methane emission reduction and carbon capture technologies.

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.

DIRECTORS' REPORT

Your directors submit the financial report for the half-year ended 31 December 2023.

DIRECTORS

The names and details of the Company's directors at any time during or since the end of the financial period are as follows:

Christopher Gale – Non Executive Chairman

Paul Stephen – Managing Director

David Vilensky - Non-Executive Director

Anthony Greenaway - Non-Executive Director

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial period:

Yugi Gouw - Certified Practicing Accountant.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or declared by the Company during the financial period.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the half-year were mineral exploration and project development. There were no significant changes in the nature of the principal activities during the financial period.

REVIEW AND RESULTS OF OPERATIONS

Over the past six months, the Group is actively exploring across its expansive Western Eyre Peninsula tenement package in South Australia, as well as consolidating other existing non-core projects in its portfolio.

Highlights of the reported progress during the period include:

Rare Earth Element (REE) leachability tests completed for Western Eyre Peninsula prospects

- Early-stage REE testwork on the clay zone of historically drilled, alkaline intrusives was conducted to test leachability of REE's from two discrete prospects within the Western Eyre Peninsula project area.
- Tests demonstrated very low pH leaching is required to extract REE's from the clay zone.
- Fresh (unoxidized) portion of the Alkaline Intrusives identified by geophysics and historic exploration remains untested by drilling.

Oar Graphite – (SA)

- Samples from Oar Graphite Project (OGP) sent to a tier 1 research facility in China for metallurgical evaluation to produce a saleable product.
- Preliminary test work using bespoke commercialised processing flowsheet produced premium product with a fixed carbon content of 95.6%.
- Additional samples being prepared to further optimise processing flowsheet and generate additional concentrate for evaluation by downstream partners.

DIRECTORS' REPORT (CONT'D)

- Discussions have commenced with world-leading battery anode producers and natural graphite concentrate end-users to evaluate products from OAR's material.
- Comprehensive geophysical review of entire Western Eyre Peninsula tenure completed, with drilling planned to increase the current graphite Mineral Resource Estimate (MRE).

Divestment of non-core Gibraltar Halloysite-Kaolin Project

- The Company 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 for an all-cash consideration of \$500,000.
- The sale of the project is done via a divestment of a portion of the tenement with the excised area covering approximately 80km² of the original 316km² tenement. The remaining portion will be retained by the Company.

Corporate

- Small Share Parcel Sale Facility completed, with a total of 1,598 shareholders participating.
- Reduction of shareholder base to reduce administrative and corporate costs moving forward.

RESULTS OF OPERATIONS

The financial result for the half year ended 31 December 2023 was a loss of \$1,465,682 (2022: profit \$102,885) due to the exploration written off.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Apart from matters disclosed below and contained within Note 15: Events Subsequent to Reporting Date, Directors are not aware of any matters or circumstances not otherwise dealt with in this report that has significantly, or may significantly affect, the operations or the state of affairs of the Consolidated entity in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under s 307C of the Corporations Act 2001 for the half year ended 31 December 2023 has been received and can be found on page 27 of the half year report.

Signed on 15 March 2024 in accordance with a resolution of the Board of Directors.



Christopher Gale

Non-Executive Chairman

Perth, 15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Continuing operations			
Other income	2	149,173	774,228
Administrative expenses		(292,947)	(227,779)
Depreciation and amortisation		(5,555)	(1,210)
Finance costs		(386,823)	(1,882)
Occupancy costs		(24,000)	(26,100)
Employment costs		(267,238)	(185,921)
Development expenses		(130,700)	(97,735)
Share based payments		(7,546)	(62,442)
Net foreign exchange gain / (loss)		(39,176)	4,806
Other expenses from ordinary activities		(48,909)	(73,080)
Loss on Exploration Written-off		(411,961)	-
Profit/Loss before income tax		(1,465,682)	102,885
Income tax benefit / (expense)		-	-
Net profit / (loss) for the year		(1,465,682)	102,885
<i>Other comprehensive income, net of income tax</i>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
□ Foreign currency movement		(1,838)	27,062
Other comprehensive income for the year, net of tax		(1,838)	27,062
Total comprehensive income attributable to members of the parent entity		(1,467,520)	129,947
Earnings per share			
Basic and diluted profit/(loss) per share (cents per share)		(0.056)	0.009

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31 Dec 2023 \$	30 June 2023 \$
<i>Current assets</i>			
Cash and cash equivalents	4	388,978	1,218,068
Trade and other receivables	5	24,369	39,671
Other assets	6	52,361	79,194
Total current assets		465,708	1,336,933
<i>Non-current assets</i>			
Other assets	6	172,223	178,018
Plant and equipment	7	725,301	747,430
Exploration and evaluation costs	8	5,182,571	5,612,156
Right-of-use asset	9	65,158	95,456
Total non-current assets		6,145,253	6,633,060
Total assets		6,610,961	7,969,993
<i>Current liabilities</i>			
Trade and other payables	10	697,934	1,070,553
Provisions	11	274,758	241,764
Lease liabilities	12	45,994	53,295
Total current liabilities		1,018,686	1,365,612
<i>Non-current liabilities</i>			
Lease liabilities	12	19,164	42,161
Borrowings	13	956,539	767,803
Embedded Derivatives	13	373,064	380,634
Total non-current liabilities		1,348,767	1,190,598
Total liabilities		2,367,453	2,556,210
Net assets/(liabilities)		4,243,508	5,413,783
<i>Equity</i>			
Issued capital	14a	13,525,482	13,235,783
Reserves	14b	2,338,738	2,333,030
Accumulated losses		(11,620,712)	(10,155,030)
Total equity		4,243,508	5,413,783

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note	Issued Capital \$	Accumulated Losses \$	Foreign Exchange Translation Reserve \$	Share-Based Payment \$	Total \$
Balance 1 July 2022	11,779,128	(9,430,056)	240,790	1,218,566	3,808,428
Profit/(Loss) for the period	-	102,885	-	-	102,885
Other comprehensive income for the period	-	-	27,062	-	27,062
Total comprehensive income for the period	-	102,885	27,062	-	129,947
Transactions with owners, directly in equity					
Options Issued during the period	-	-	-	185,164	185,164
Share application	1,200,000	-	-	-	1,200,000
Convertible Note Issue Costs	(86,399)	-	-	-	(86,399)
Transaction costs	(45,484)	-	-	-	(45,484)
Balance 31 December 2022	12,847,245	(9,327,171)	267,852	1,403,730	5,191,656
Balance at 1 July 2023	13,235,783	(10,155,030)	201,198	2,131,832	5,413,783
Profit/(Loss) for the period	-	(1,465,682)	-	-	(1,465,682)
Other comprehensive income for the period	-	-	(1,838)	-	(1,838)
Total comprehensive income for the period	-	(1,465,682)	(1,838)	-	(1,467,520)
Transactions with owners, directly in equity					
Options Issued during the period	-	-	-	7,546	7,546
Share application	206,600	-	-	-	206,600
Transaction costs	(3,300)	-	-	-	(3,300)
Convertible Note Issue Costs – Re-allocation	86,399	-	-	-	86,399
Balance at 31 December 2023	13,525,482	(11,620,712)	199,360	2,139,378	4,243,508

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
<i>Cash flows from operating activities</i>			
Payments to suppliers and employees		(806,808)	(501,217)
Interests/other income received		149,173	774,228
Interests and other charges paid		(106,084)	(2,885)
Net cash outflows from operating activities		(763,719)	270,126
<i>Cash flows from investing activities</i>			
Payments for exploration and evaluation activity		(559,621)	(568,482)
Proceeds from disposal of exploration and evaluation		500,000	-
Payments for property, plant and equipment		(686)	(106)
Net cash (used in)/provided by investing activities		(60,307)	(568,588)
<i>Cash flows from financing activities</i>			
Costs associated with share issue		(5,064)	(9,159)
Net cash provided by financing activities		(5,064)	(9,159)
Net increase (decrease) in cash held		(829,090)	(307,621)
Cash and cash equivalents at beginning of the period		1,218,068	704,192
Cash and cash equivalents at the end of the period		388,978	396,571

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The interim report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's 2023 annual financial report for the financial year ended 30 June 2023, except for the impact of the Standards and Interpretations described below, and the change in accounting policy as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2021.

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the financial period are discussed below.

Impairment of Assets

Exploration Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023***Impact of COVID-19***

The Group has upgraded the beneficiation operation license for the Chimu Plant from 40 tonnes per day to 340 tonnes per day during 2023 reporting period. The Group assessment has determined that there has been no significant impact on the performance nor financial position of the Group from COVID-19 as at 31 December 2023.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$1,465,682 (2022: profit \$102,885) and net operating cash outflow of \$763,719 (2022: inflow of \$270,126). As at 31 December 2023, the Group's cash and cash equivalents decreased to \$388,978 (2022: \$396,571) and had a working capital deficit of \$552,978.

The directors have prepared a cash flow forecast, based on the assumption that the Group continues to be successful in raising capital and the contingent liabilities as disclosed do not require any cash outlay. The cashflow forecast indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this report. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flow in line with available funds.

Based on the cash flow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date and the support from its shareholders, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2 REVENUE AND OTHER INCOME

	31 Dec 2023	31 Dec 2022
	\$	\$
Other Income		
Interest income	2,626	1,241
Sale of project	-	400,000
R&D tax incentive	146,547	372,987
	149,173	774,228

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**NOTE 3 SEGMENTAL REPORTING**

For management's purposes, the Group is organised into three main operating segments based on geographic areas, USA, Peru and Australia during the current period.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and in determining the allocation of resources. The Group's three operating segments for current period are USA, Australia and Peru. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

The following is an analysis of the Group's revenues, results, assets, liabilities by reportable operating segment for the current period.

31 December 2023	Australia	Peru	USA	Total
Revenue	\$	\$	\$	\$
Other income	149,173	-	-	149,173
Total revenue	149,173	-	-	149,173
Depreciation & amortisation expense	(888)	(4,667)	-	(5,555)
Finance costs	(386,081)	(742)	-	(386,823)
Development expenses	-	(130,700)	-	(130,700)
Net foreign exchange gain(loss)	-	(39,176)	-	(39,176)
Other expenses	(1,052,601)	-	-	(1,052,601)
Total expenses	(1,439,570)	(175,285)	-	(1,614,855)
Segment loss	(1,290,397)	(175,285)	-	(1,465,682)
31 December 2023				
Segment assets	4,841,725	889,220	880,016	6,610,961
Segment liabilities	(2,301,682)	(65,771)	-	(2,367,453)
Additions to non-current assets				
Exploration & evaluation assets	479,597	(192)	2,941	482,346
Tax credits	-	(5,097)	-	(5,097)
Total additions to non-current assets	479,597	(5,289)	2,941	477,249
31 December 2022				
Revenue				
Other income	774,228	-	-	774,228
Total revenue	774,228	-	-	774,228
Depreciation & amortisation expense	(935)	(275)	-	(1,210)
Finance costs	(650)	(1,232)	-	(1,882)
Development expenses	-	(97,735)	-	(97,735)
Net foreign exchange gain(loss)	-	4,806	-	4,806
Other expenses	(575,322)	-	-	(575,322)
Total expenses	(576,907)	(94,436)	-	(671,343)
Segment (loss)/profit	197,321	(94,436)	-	102,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**NOTE 3 SEGMENTAL REPORTING CONTINUED...**

30 June 2023	Australia	Peru	USA	Total
	\$	\$	\$	\$
Segment assets	6,167,699	923,924	878,370	7,969,993
Segment liabilities	(2,500,603)	(55,607)	-	(2,556,210)
Additions to non-current assets				
Exploration & evaluation assets	413,621	-	72,100	485,721
Acquisition of Denchi Lithium Project	2,000,000	-	-	2,000,000
Plant & equipment	2,096	-	-	2,096
Tax credits	-	12,107	-	12,107
Total additions to non-current assets	2,415,717	12,107	72,100	2,499,924

NOTE 4 CASH AND CASH EQUIVALENTS**Reconciliation of cash**

Cash at bank

Petty Cash

31 Dec 2023	30 Jun 2023
\$	\$
388,494	1,217,411
484	657
388,978	1,218,068

NOTE 5 TRADE AND OTHER RECEIVABLES*Current*

GST receivable

Other receivables

31 Dec 2023	30 Jun 2023
\$	\$
9,888	15,414
14,481	24,257
24,369	39,671

NOTE 6 OTHER ASSETS*Current*

Prepayments

Exploration Bond

31 Dec 2023	30 Jun 2023
\$	\$
22,361	49,194
30,000	30,000
52,361	79,194

Non-Current

Tax Credits

Alpine Reclamation Bond

150,188	155,285
22,035	22,733
172,223	178,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

NOTE 7	PLANT AND EQUIPMENT	31 Dec 2023	30 Jun 2023
		\$	\$
	<i>Current</i>		
	Balance at the beginning of the period	747,430	716,711
	Additions during the period	-	2,096
	Depreciation	(5,555)	(2,467)
	Foreign currency effect	(16,574)	31,090
	Balance at the end of period	725,301	747,430

The Group has upgraded the beneficiation operation license for the Chimu Plant from 40 tonnes per day to 340 tonnes per day during 2023 reporting period. The Group assessment has determined that there has been no significant impact on the performance nor financial position of the Group from COVID-19 and no impairment is necessary as at 31 December 2023.

NOTE 8	EXPLORATION AND EVALUATION COSTS	31 Dec 2023	30 Jun 2023
		\$	\$
	<i>Non-Current</i>		
	Costs carried forward in respect of areas of interest in:		
	- Exploration and evaluation phases	5,182,571	5,612,156
	Movement on Exploration and Evaluation Costs		
	Balance at beginning of period	5,612,156	3,145,759
	Acquisition of exploration assets	508,575	760,164
	Acquisition of Denchi Lithium Project	-	1,680,000
	Exploration Written off ¹	(911,961)	-
	Foreign currency translation movement	(26,199)	26,233
	Balance at end of period	5,182,571	5,612,156

¹ The Company has divested its non-core Gibraltar Halloysite-Kaolin Project to ESG Minerals Pty Ltd for an all-cash consideration of \$500,000 excluding GST.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**NOTE 9 RIGHTS OF USE ASSETS**

	31 Dec 2023	30 Jun 2023
	\$	\$
Leased office and storage building	213,469	195,946
Accumulated Depreciation	(148,311)	(100,490)
	65,158	95,456
Movement in carrying amounts:		
<i>Lease office and storage building</i>		
Opening balance as at 30 June	95,456	142,724
Addition to right-of-use assets	17,524	17,524
Depreciation for the period	(22,997)	(45,993)
Depreciation capitalised in exploration and evaluation costs	(24,825)	(18,799)
Net Carrying amount	65,158	95,456
<i>The statement of Profit and Loss shows the following amounts relating to leases:</i>		
Depreciation charged related to rights-of-use assets	22,997	45,993
Interest expense on lease liabilities	1,003	2,007
Short-term leases expense	-	-
Low-value asset leases expense	-	-
	24,000	48,000

NOTE 10 TRADE AND OTHER PAYABLES

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current</i>		
Trade payables	456,921	715,902
Accruals	44,966	146,147
Employment related payables	87,087	55,600
Payable to a shareholder/director	-	47,543
GST Payable	50,000	40,000
Others	58,960	65,361
	697,934	1,070,553

NOTE 11 PROVISIONS

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current</i>		
Employee entitlements	79,847	39,681
Deferred payments	194,911	202,083
	274,758	241,764

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**NOTE 12 LEASE LIABILITY**

	31 Dec 2023	30 Jun 2023
	\$	\$
Gross lease liabilities – minimum lease payments:		
Less than one year	48,000	55,620
Between one and five years	20,000	44,000
	68,000	99,620
Future finance charges on leases	(2,842)	(4,164)
	65,158	95,456
The present value of lease liabilities classified as:		
<i>Current</i>	45,994	53,295
<i>Non- Current</i>	19,164	42,161
	65,158	95,456

NOTE 13 BORROWINGS

	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-Current</i>		
Convertible Notes	956,539	767,803
Embedded Derivatives	373,064	380,634
	1,329,603	1,148,437

The Convertible Notes are unsecured with a face value of \$ 1,000, were issued in two tranches as follows:

- Tranche 1: 968 Convertible Notes issued on 15 May 2023 to comprise \$ 968,000
- Tranche 2: 782 Convertible Notes issued on 28 June 2023 to comprise \$ 782,000

The Convertible Notes have a term of 24 months, with interest payable quarterly at 10% per annum. The Convertible Notes can only be converted after three months from their date of issue and convert at the lower of:

- \$0.006
- 15% discount to 15 day VWAP prior to conversion date

It is expected that the convertible notes will be converted into shares with each share issued upon conversion will rank equally with the Company's existing shares on issue. At the end of the term, a Noteholder may elect to redeem the Note and seek repayment of funds advanced, rather than converting to OAR's shares.

As at 31 December 2023, 107 convertible notes had been redeemed and converted into shares, with 1,643 Convertible Notes remained on issue. \$86,399 related to the valuation of free attaching options component was reallocated to Profit or Loss and Financial liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**NOTE 14 ISSUED CAPITAL & RESERVES****a. Issued Capital**

	No of Shares	Total \$
Balance at beginning of reporting period	2,571,037,898	13,235,783
Conversion of Incentive and Deferred rights	10,200,472	-
Director Fee paid as Shares	31,897,334	99,600
Conversion of Convertible Notes	13,513,514	50,000
Conversion of Convertible Notes	10,294,118	35,000
Conversion of Convertible Notes	4,117,645	14,000
Conversion of Convertible Notes	2,666,666	8,000
Transaction costs in relation to share issues	-	(3,300)
Convertible Note Issue Costs – Reallocation	-	86,399
Balance at end of reporting period	<u>2,643,727,647</u>	<u>13,525,482</u>

b. Reserves**Share-based payment reserve**

	No of Options /Share Rights	Total \$
Balance at beginning of reporting period	238,785,394	2,131,832
Conversion and Lapse of Incentive and Deferred rights	(21,774,158)	-
Incentive and Deferred rights amortisation	-	7,546
Balance at end of reporting period	<u>217,011,236</u>	<u>2,139,378</u>

Foreign exchange reserve

Balance at beginning of reporting period	201,198
Movement for the year	(1,838)
Balance at end of reporting period	<u>199,360</u>

Total Reserve2,338,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

NOTE 15 EVENTS SUBSEQUENT TO REPORTING DATE

At the date of this report, there are no significant events that have occurred after the reporting date.

NOTE 16 CONTINGENT LIABILITIES

The following liabilities are treated as contingent liabilities as it is dependent on certain milestone to occur, with no current obligation at present.

Acquisition of Denchi Lithium Project:

- Fully paid ordinary shares in the Company valued at \$250,000, with each share having a deemed price equal to the higher of \$0.01 or the 30-day VWAP of OAR share price prior to issue, contingent upon the Company having delineated a maiden inferred JORC Code compliant Mineral Resource, which exceeds 10 million tonnes of Li₂O, within five years from the completion of the acquisition (“JORC Milestone Shares”).

Acquisition of Crown Project:

- 27,000,000 fully paid ordinary shares in the Company contingent on the granting of the drilling program approval by the WA Mines Department.

Acquisition of Alpine Project:

- \$2,000,000 payment in cash or fully paid ordinary shares in the Company on the announcement of 500,000 ounces of gold or gold equivalent JORC Code compliant resource on the Douglas Canyon Project.
- In consideration of the extended exploration period, a net smelter royalty agreement shall be entered at the appropriate time which shall include the right of first refusal and right to repurchase. The amount of the royalty paid shall not exceed 2% and shall be calculated in accordance with the net smelter royalty formula on normal standard commercial terms for royalty agreement.

NOTE 17 RELATED PARTY TRANSACTIONS

The Company has divested its non-core Gibraltar Halloysite-Kaolin Project to ESG Minerals Pty Ltd (ESG) for an all-cash consideration of \$500,000 excluding GST. ESG will use the area for ongoing development of their methane emission reduction and carbon capture technologies.

The agreement resulted in a divestment of a portion of EL6506 equal to approximately 80km² of the original 316km² tenement, with the remaining portion to be retained by the Company.

ESG is a wholly-owned subsidiary of Latin Resources Limited (ASX: LRS), a listed entity which Mr Gale and Mr Vilensky are common directors.

Transaction between related parties is on normal commercial terms and conditions no more favourable than those available to other parties.

DIRECTORS' DECLARATION

The Directors of Oar Resources Limited declare that:

- the attached financial statements and notes thereto comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*;
- the attached financial statements and notes thereto give a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date;
- there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Christopher Gale

Non-Executive Chairman

Perth, 15 March 2024

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001



To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of OAR Resources Limited for the half year ended 31 December 2023, 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

A handwritten signature in blue ink, appearing to read 'Hall Chadwick'.

HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682

A handwritten signature in blue ink, appearing to read 'Michael Hillgrove'.

MICHAEL HILLGROVE CA
Director

Dated this 15th day of March 2024
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT



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

Report on the half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of OAR Resources Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the 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.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half year financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,465,682 during the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT (CONT'D)



Responsibility of the Directors for the Financial Report

The directors of the Company 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 Responsibility 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 Company's financial position as at 31 December 2023 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.

A handwritten signature in blue ink, appearing to read 'Hall Chadwick'.

HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682

A handwritten signature in blue ink, appearing to read 'Michael Hillgrove'.

MICHAEL HILLGROVE CA
Director

Dated this 15th day of March 2024
Perth, Western Australia