



ALDORO RESOURCES LIMITED

ABN 31 622 990 809

HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2021

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Corporate Directory

Board of Directors

Joshua Letcher
Mark Mitchell
Lincoln Ho
Troy Flannery

Non-Executive Chairman (resigned 11 March 2022)
Technical Director (appointed 11 March 2022)
Non-Executive Director
Non-Executive Director

Secretary

Ms Sarah Smith

Registered Office

Suite 2, Level 1
1 Altona Street
West Perth WA 6005

Telephone: 08 6559 1792
Website: www.aldororesources.com

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: ARN)

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Solicitors

Steinepreis Paganin
16 Milligan St
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 4, Brookfield Place, Tower Two
123 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Directors' Report

The Directors of Aldoro Resources Limited ("ARN" or "the Company") present their report, together with the financial statements of the Group consisting of Aldoro Resources Limited and its controlled entities for the half-year ended 31 December 2021 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2021 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

DIRECTORS

The names of the Company's Directors who held office during the Period and until the date of this report are set out below. Directors were in office for this entire Period unless otherwise stated.

Director	Position
Joshua Letcher	Non-Executive Chairman (resigned 11 March 2022)
Mark Mitchell	Technical Director (appointed 11 March 2022)
Lincoln Ho	Non-Executive Director
Troy Flannery	Non-Executive Director

PRINCIPAL ACTIVITIES

Aldoro Resources Limited is a junior exploration and development company focused on gold and nickel in Western Australia.

REVIEW OF OPERATIONS

Narndee Nickel Project

The first drillhole drilled at into the VC1 target at the Narndee Project in July this year produced massive nickel-copper sulphides. Since then, 22 diamond holes and 19 RC holes have been drilled at Narndee. Targets VC11, East1, and VC3 were also tested as part of this program. Two extra diamond holes and eight RC diamond tails are required to complete the program at VC1 and generate a JORC2012 reportable Mineral Resource Estimate.

Re-Evaluation of Historical Data and Site Visit, Highlights World-Class Rubidium Potential at Niobe.

A site visit was conducted at The Niobe Project earlier in the year to collect 46 rock chip samples from three localities, Pegmatite East, Pegmatite Southeast, and Breakaway, where preliminary pXRF readings confirmed encouraging Rubidium (Rb) results (**ASX announcement 21 September 2021**). On this basis, the positions of 66 drill hole collars were sighted to increase the exploration target footprint. The Niobe prospect was drilled in the mid-1980s, allowing Aldoro to use these data to define an Exploration Target (JORC 2012) of 33,000-150,000 tonnes at a grade range of 696-1475 ppm of Rubidium Oxide (Rb₂O) (**ASX announcement 27 August 2021**). The Company noted that the Exploration Target metrics closely parallel those of the World's largest Rubidium deposit in the Guangdong Province of China. Drilling at Niobe commenced soon after the end of the reporting period, during which time the Company would also investigate the Lithium (Li) potential of the mapped pegmatites.

In addition, the nearby Wyemando LCT pegmatites (E57/1017) returned rock-chip results ranging up to 0.81-2.6% Lithium oxide, 5610 ppm tantalum oxide and 0.80% rubidium oxide (**ASX announcements 07 July 2021; 28 September 2021**). This program was ongoing at the end of the reporting period.

Nickel Copper Projects

Early exploration success at VC1 target

In July (**ASX announcement 30 July 2021**), the VC1 target produced its first core from diamond drill hole NDD0001. The drill hole intersected significant zones of massive to semi-massive, blebby, and veined nickel-copper sulphides. This was a very encouraging outcome, given it was the first hole drilled by Aldoro on the Project, and the first hole drilled in the NIC area in nearly a decade.

Directors' Report

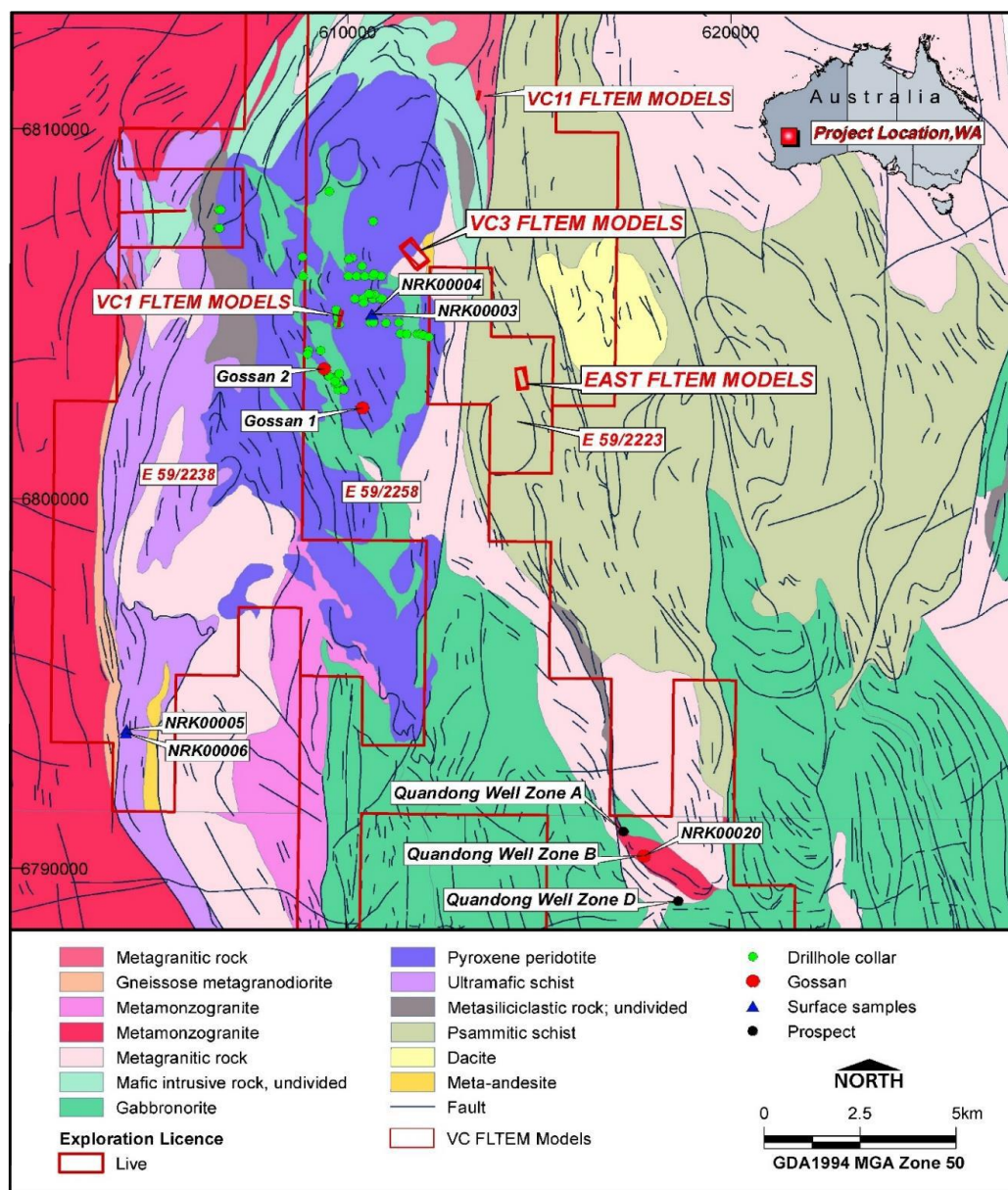


Figure 1. Geological map of NIC, showing the location of the high-priority drill targets and the two new drill-ready MLTEM targets.

During the Second Quarter, seven diamond drill holes were completed on the VC1 target with all four holes (NDD0001-NDD0004), recovering NQ core with massive and near-massive sulphide zones (**ASX announcements 30 July 2021; 05 August 2021; 09 August 2021 and 18 August 2021**). The massive sulphide zones intersected include 1.7m in width in NDD0001, 3.6m in width in NDD0002, 1.9m in width in NDD0003 and 0.9m in width in NDD0004. Hole NDD0002 intersected 0.5m of semi-massive sulphides and 6.9m of veined, blebby, breccia sulphide, whilst hole NDD0004 intersected broad zones of disseminated sulphides totalling 124.9m. Sulphide mineralisation remained open in all directions outside of the current 240m of drill-tested plunge extent.

In a more recent market update (**ASX announcement 22 September 2021**) the Company announced their latest intercept of 2.95m of massive to semi-massive sulphides and 35.95m of disseminated magmatic sulphides, from diamond drill hole NDD0008. Seven diamond holes had been completed at that time at the VC1 target, and all seven completed diamond drill holes returned significant zones of magmatic sulphides. This outcome confirmed the Company's initial interpretation of the high prospectivity of the VC1 target and reinforced the validity of the earlier VTEM and FLTEM (**ASX announcement 13 April 2021**) geophysical interpretations. The announcement also noted the completion of the first diamond drill test hole (NDD0005) over the VC3 target, to 654.9m, over which some disseminated and blebby magmatic sulphides were visually confirmed below 380m.

Directors' Report

Early Electromagnetic Results

Two extra targets, VC3 and East1 were modelled in 3D and confirmed for drill testing (**ASX announcement 28 July 2021**).

Five holes at the VC1 target were successfully DHTM surveyed (NDD0001, NDD0002, NDD0003, NDD0004, NDD0006) and historical hole MNRC0002 in the period (**ASX announcement 23 August 2021**). The results were very encouraging, with at least two strong off-hole target areas identified for immediate follow-up drill testing. The two strong off-hole target areas are located west and north of NDD0002 and west and north of NDD0004.

VC3 MLTEM Conductor

VC3 is interpreted to have an areal size of approximately 300m by 600m. The body is interpreted to be striking in a north-west southeast direction, with a conductance of approximately 1000-1500S. The top of the conductor is interpreted to lie at a depth of 400m below the surface, and the conductor body exhibits a shallow SE dip/plunge of approximately 10-20 degrees.

The target appears to be located on a basal contact of an olivine bearing pyroxenite, with a footwall sequence of metamorphosed felsic volcanics and granitic rocks. This is interpreted to be a favourable location for the development of magmatic nickel-copper sulphides.

EAST1 MLTEM Conductor

A discrete, relatively strong bedrock conductor is defined at this location. Modelling has resolved a body of at least 500m x 200m in areal size with a depth to the top of 225-275m below surface. The conductance models are at 6000-9000S, but the modelling suggests it could be higher. The body dips at approximately 5-15° to the west, striking north-south. VC3 and East1 will both be tested during the current drill program. These targets both ranked higher than VC11 at the time, given their geological settings and were prioritised accordingly.

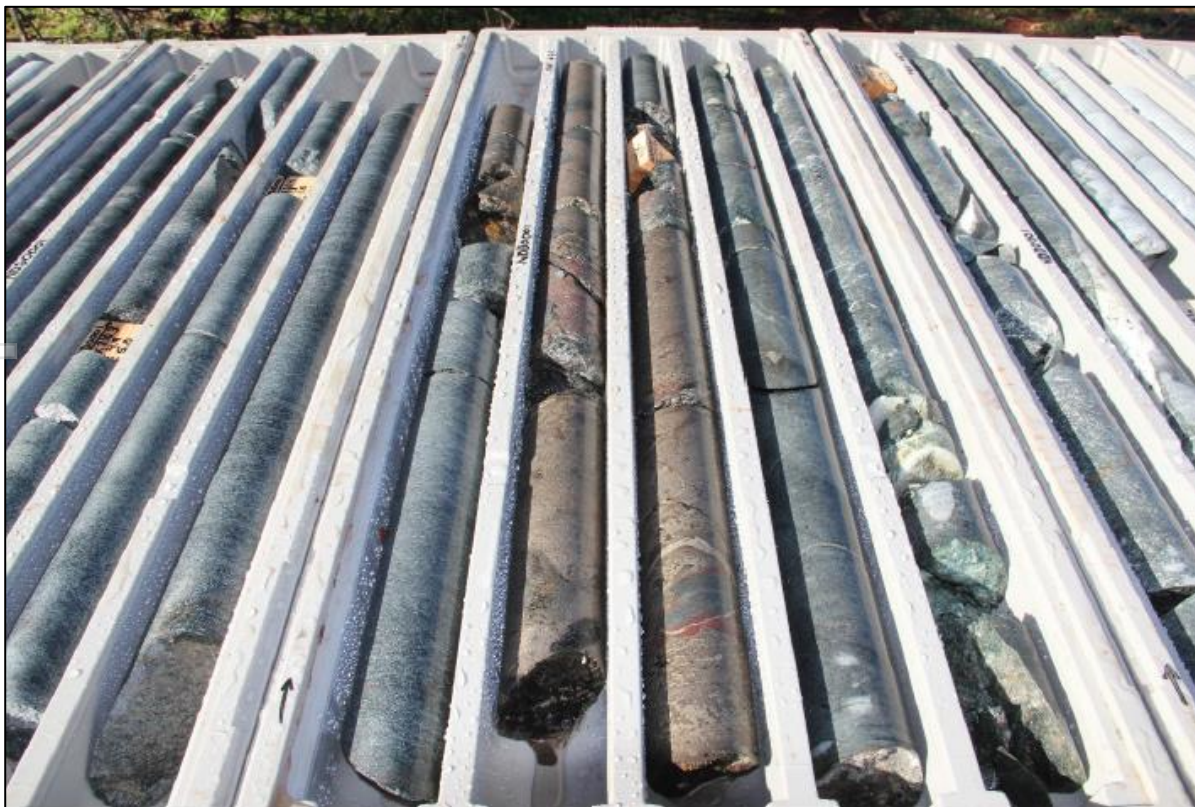


Figure 2. Photograph showing massive and semi-massive sulphides intersected by NDD0001 from approximately 212.7m. pXRF readings were used to confirm the presence of nickel, copper, and cobalt.

Directors' Report



Figure 3. Cumulate-textured high-MgO ultramafic with disseminated and blebby magmatic sulphides from 89m in NDD0008.



Figure 4. Semi-massive sulphide from approximately 106m downhole in NDD0008, showing the interaction of the sulphides with country-rock xenoliths and clots of remobilised chalcopyrite.

A further six holes were completed at the VC1 target (**ASX announcement 22 September 2021**), for a total of seven drilled.

Directors' Report

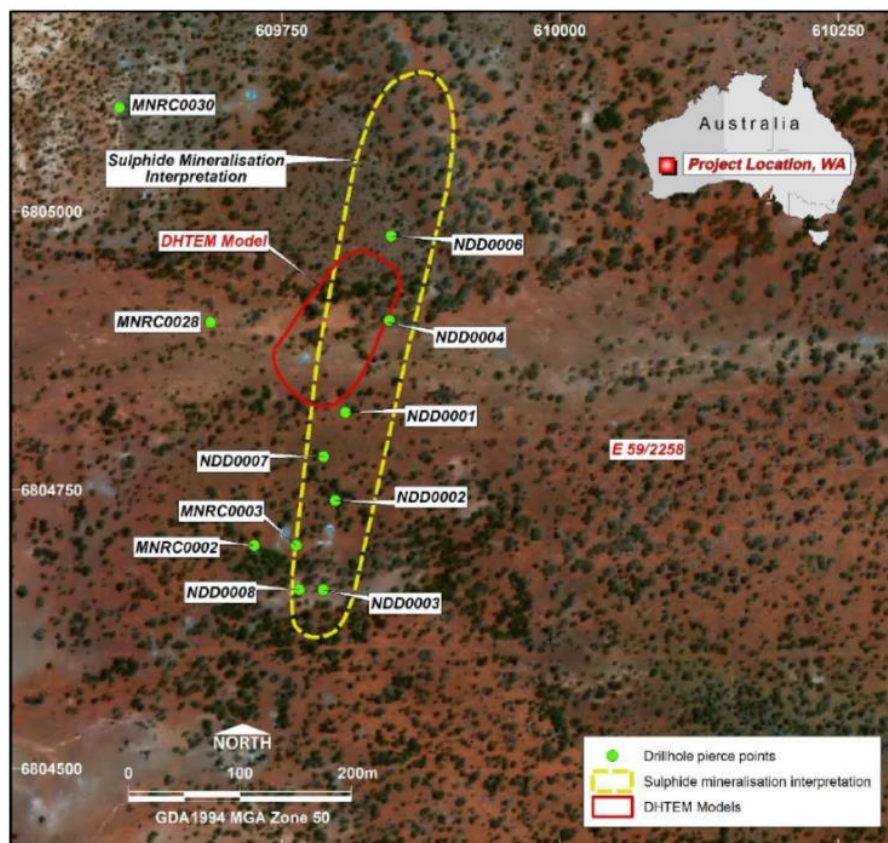


Figure 5. Plan projection showing completed drillhole pierce points of the VC1 target and an evolving interpretation of the magmatic sulphide footprint. DHTM surveying generated a revised off-hole target shown in red.

The following figures show examples of the cross-sections generated upon completion of each drillhole, relative to the DHTM surveys.

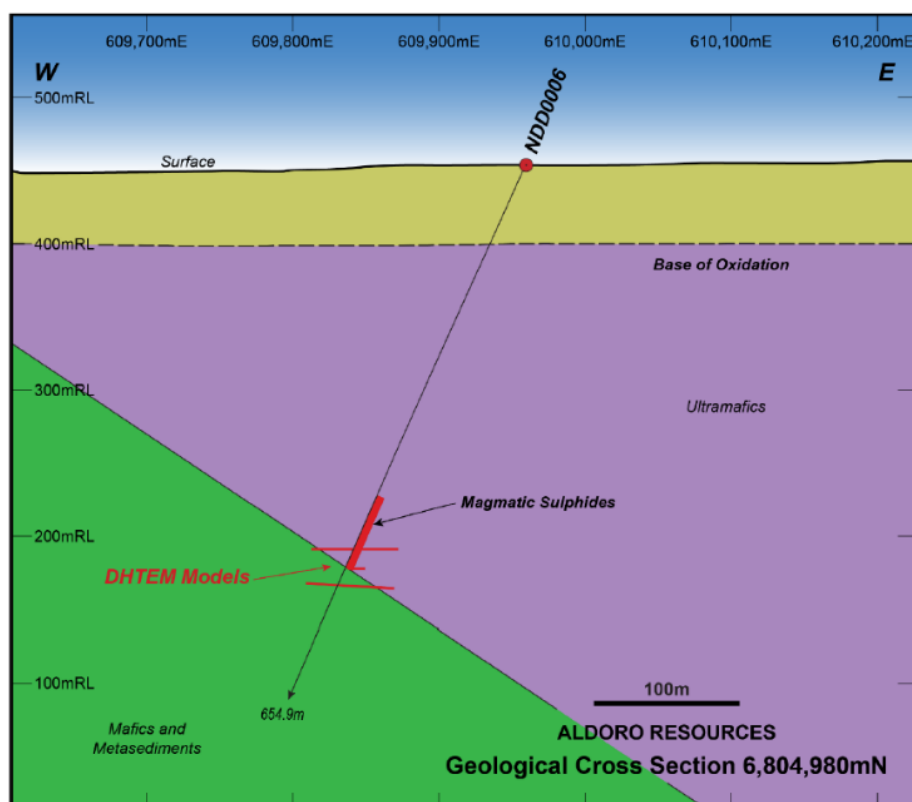


Figure 6. Cross-section of NDD0006 at 68049800m North (MGA50) showing sulphide intersections relative to DHTM model.

Directors' Report

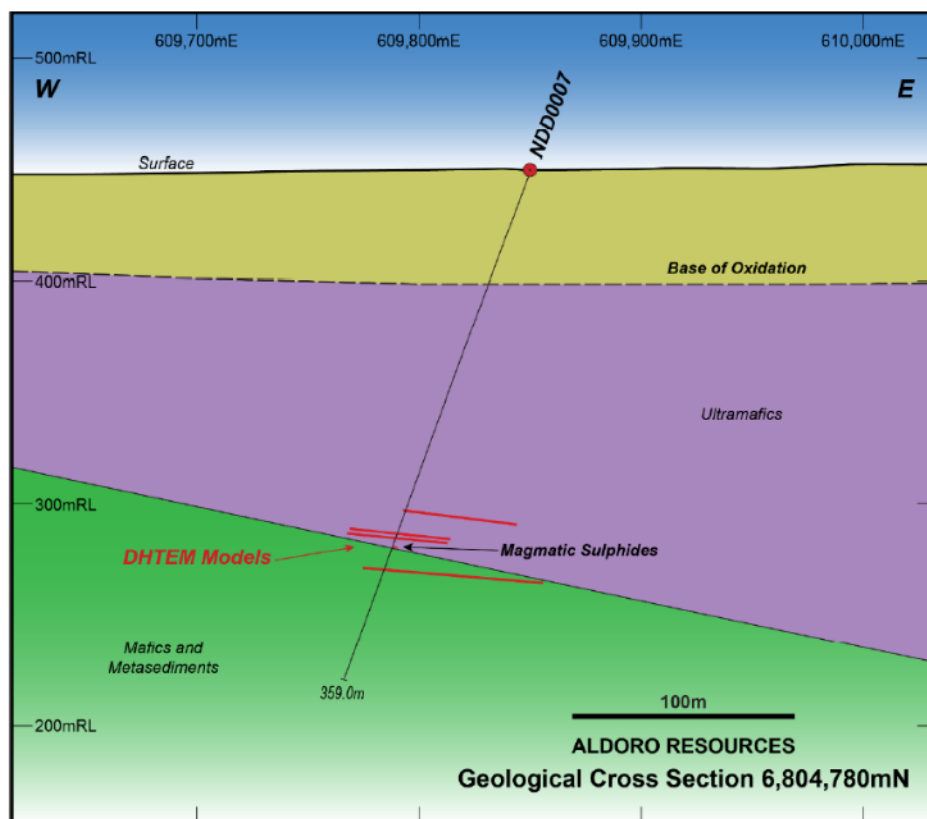


Figure 7. Cross-section of NDD0007 at 6804780m north (MGA50) showing sulphide intersections relative to DHEM model.

Assay results were received for four drillholes at VC1 and one drillhole at VC3

Six new diamond holes and eight RC holes were completed at VC1 to the end of 2021. Assay results were returned for NDD0003, NDD0004, NDD0008, NDD0015, NDD0016 at VC1, and NDD0005 at VC3. Assays returned peak values of 1.74% Ni in NDD0016, and 0.89% Cu in NDD0006, while NDD0005 ended in 31.3% MgO and 0.22% Ni at 654.9m at the VC3 target. VTEM and HPEM surveys were in progress at the end of the year.



Figure 8. Massive sulphide intersected by NDD0004, which returned an average grade of 1.35% Ni.

Directors' Report

Assay results received for NDD0010 and NDD0011 at the VC11 target

Assay results were received for NDD0010 and NDD0011 at the VC11 target. High Power Fixed Loop EM surveys were ongoing, and a VTEM max extension survey was to commence earlier than anticipated, with deliverables expected early in the New Year.



Figure 9. Semi massive and disseminated sulphide intersected by NDD0010 around 140m downhole. The hole size is NQ2.

L-C-T PEGMATITE PROJECTS

Wyemandoo Project

In July, Aldoro announced that it had entered into a binding tenement sale agreement (Agreement) with Meridian 120 Mining Pty Ltd (ACN 138 194 831) for the acquisition of Meridian's 100% interest in P59/2137 (Niobe tantalum-lithium Project) and E57/1017 (Wyemandoo Project) located adjacent to the Company's Windimurra pegmatite swarm (**ASX announcements 07 July 2021, 29 July 2021**) (Figure 10). A total of 18 rock chip samples collected around the ring of the 'Loop Pegmatite' produced an average of 1.06% Li₂O with the highest grade of 2.12% Li₂O. A total of 53 pegmatite rock chip samples had been collected within the Project at the time, the highest at 2.6% Li₂O is from a sample taken just inside Aldoro's adjoining Narndee licence (Figure 12).

In addition, the nearby Wyemandoo LCT pegmatites (E57/1017) were visited and returned rock-chip results ranging up to 0.81-2.6% Lithium oxide, 5610 ppm tantalum oxide and 0.80% rubidium oxide (**ASX announcements 07 July 2021; 28 September 2021**).

Directors' Report

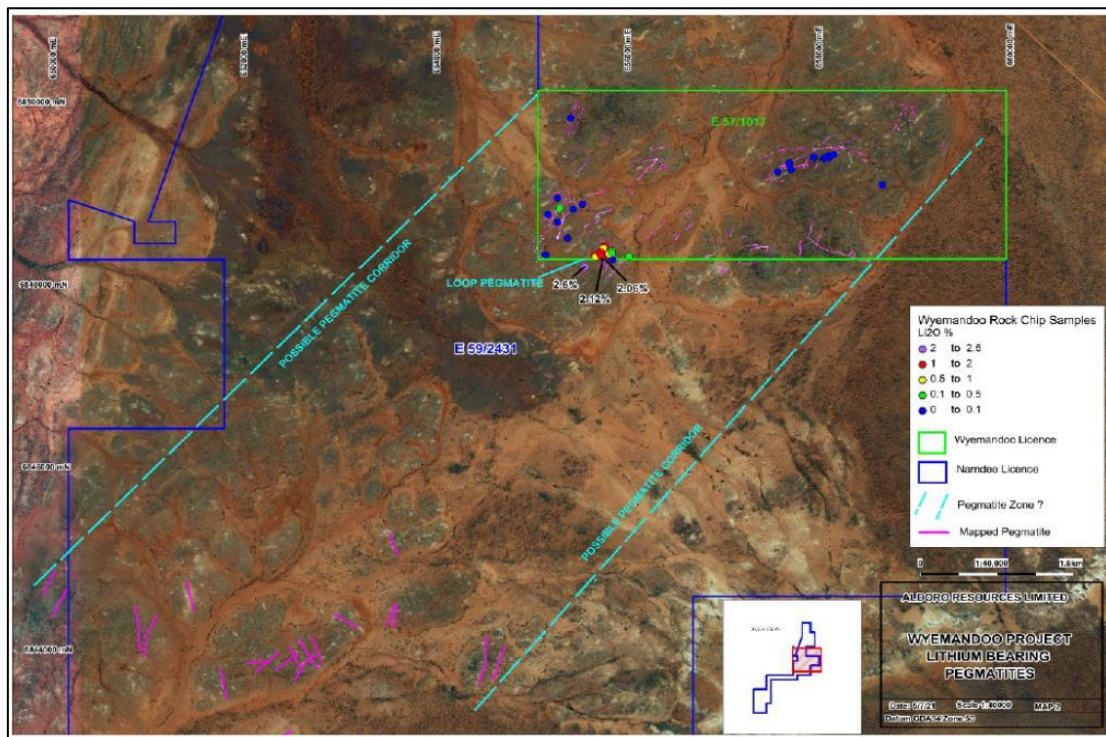


Figure 10. Wyemandoo license E57/1017 adjacent to Aldoro's Windimurra Lithium Project at licence E59/2531 showing the interpreted pegmatite corridor.

Assay results of the first eighty-eight rock chip samples at Wyemandoo were received

Wet chemistry results for eighty-eight rock chip samples were received at Wyemandoo. The results exceeded expectations, showing very high rubidium grades and anomalous lithium grades. Grades averaged 0.38% Rb, with a peak value of 1.82% Rb.



Figure 10. Example of a lepidolite pegmatite outcrop in the Fairway Corridor.

Directors' Report

The standout samples were WYRK0025 at 1.49% Rb and WYRK0056 at 1.82% Rb, with a mean average grade for all samples of 0.38% Rb. Lithium grades averaged 1187ppm, with a peak value of 6600ppm in sample WYRK00044.

The relatively fast turn-around of wet chemistry assay results augmented the preliminary pXRF readings. There appears to be an excellent correlation between wet chemistry and pXRF results. WYRK0025 read 1.31% Rb by pXRF, and WYRK0056 read 1.71% Rb by pXRF. This provided a high confidence level for targeting the upcoming RC drill program.

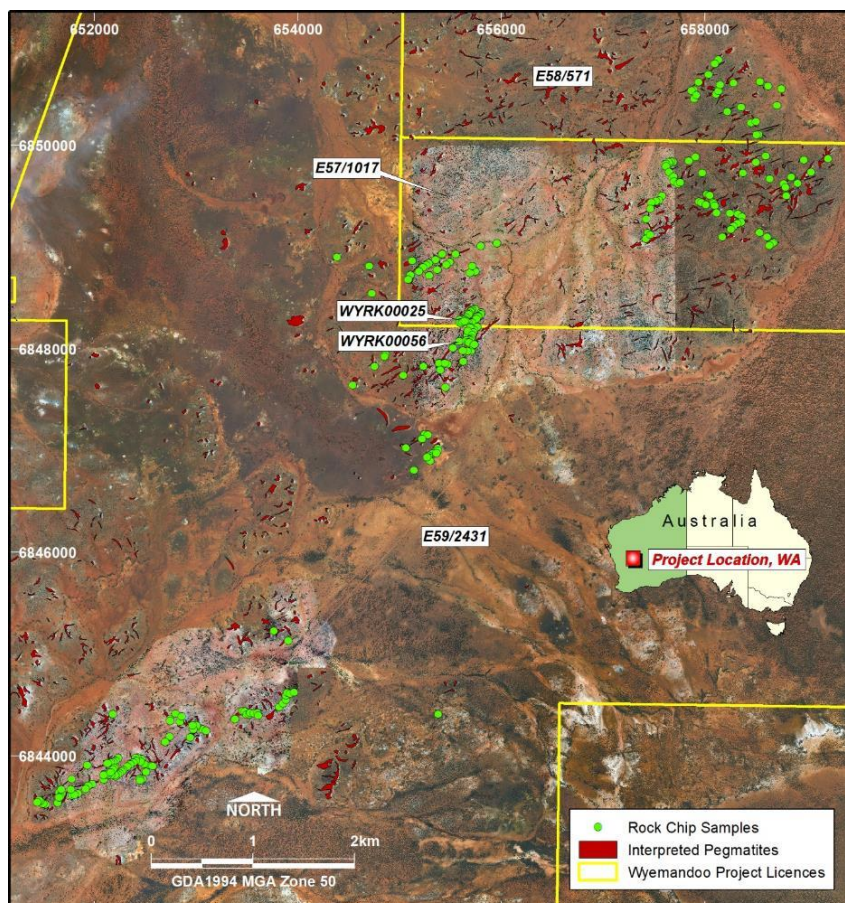


Figure 11. Map showing high-resolution imagery interpretation and rock chip sample locations

Niobe Tantalum-lithium Project

The Niobe tantalum-lithium Project (Figure 14) lies 70 kilometres northwest of Mount Magnet in the Murchison province of Western Australia ("Niobe"). The Project is a tantalum-lithium exploration project based on a pegmatite dyke swarm hosted by a metagabbro sill. High-grade tantalum ore has been mined in the past from a small open pit, and there are shallow high-grade drill intersections that have not yet been mined. This mineralisation is open at depth. Anomalous lithium values were detected in the 1980s, but the lithium potential of the area has been largely ignored since then. The project area lies within the Archean Dalgaranga Greenstone Belt.

The Niobe licence area contains numerous pegmatite dykes, some of which contain shallow, high-grade tantalum mineralisation. High-grade tantalum ore immediately outside the historical open pit remains open and untested by deep drilling. There are also local areas of significant lithium enrichment. A swarm of pegmatite dykes occurs in the upper part of the gabbro sill in a zone about 700 metres wide. One of these pegmatites was mined for beryl by prospectors in the 1960s, then was later the site of a small, very high grade, opencut tantalum mine (**ASX announcement 7 July 2021**).

Directors' Report

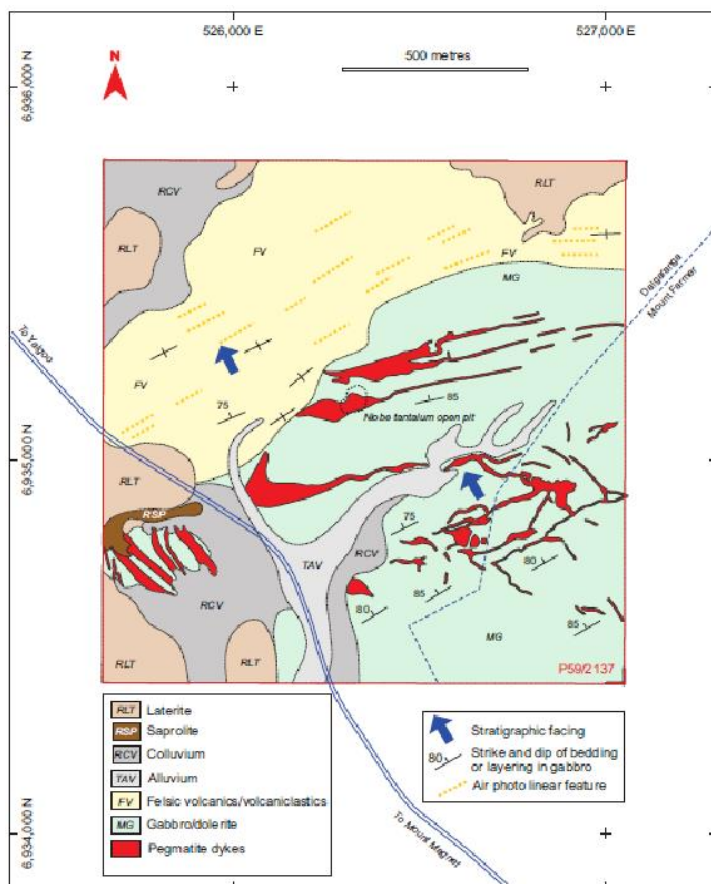


Figure 12. Niobe local geology displaying the distribution of pegmatite dykes (red) within the project area. Upper right a sample of botryoidal zinnwaldite and lower right beryl megacrysts in quartz-albite-microcline.

Lithium potential at Niobe: Past exploration at Niobe was focused initially on beryllium (prospectors) then on tantalum (companies). There has been no systematic exploration for lithium. Lithium minerals that have been recorded at Niobe include lepidolite, zinnwaldite, and pink elbaite (Jacobson et al, 2007). Broomfield (1988) also described dark green to grey, porcelaneous masses that he suggested maybe alteration minerals that have replaced spodumene – but this has not been confirmed.

There are numerous historical drill holes at Niobe (including the previous mine). It appears that only 13% of these (40 holes) were analysed for lithium, and these are all clustered in a small area. The best results to date are 1.27% lithium oxide (Li₂O) in hole MTF33, 0.69% Li₂O in MTF10, 0.52% Li₂O in MTF16, and 0.52% Li₂O in MTF28. There is also a single sample from a costean showing 2.13% Li₂O (WAMEX report A17270) (**ASX announcement 7 July 2021**).

In addition, the Company conducted a site visit to the Niobe project area to delineate the extent of the Rubidium footprint over Pegmatite East (P2), Pegmatite Southeast Pit and Breakaway prospects. Rock chip samples were collected to determine the lateral extent of the rubidium bearing pegmatites. Aldoro had previously identified an exploration target of approximately 33,000 -150,000 tonnes at the Main Pegmatite (P1) with grades ranging from 696-1457ppm Rubidium Oxide (Rb₂O). The use of a portable XRF found elevated rubidium values are associated with the Zinnwaldite micas, which are found to have lateral surface extent over Pegmatite East and the breakaway pegmatites.

Directors' Report

Rubidium potential at Niobe: The Company defined an initial Exploration Target* of approximately 33,000-150,000 tonnes at grades ranging 696-1457ppm Rubidium Oxide (Rb₂O) over an area bound by 80m by 65m of detailed drilling (**ASX announcement 27 August 2021**) (Figure 14). The area represents less than half the mapped section of the Niobe pegmatite (Pegmatite No.1). The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is, an approximation. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

In September, a site visit was conducted at Niobe to collect 46 rock chip samples from three localities, Pegmatite

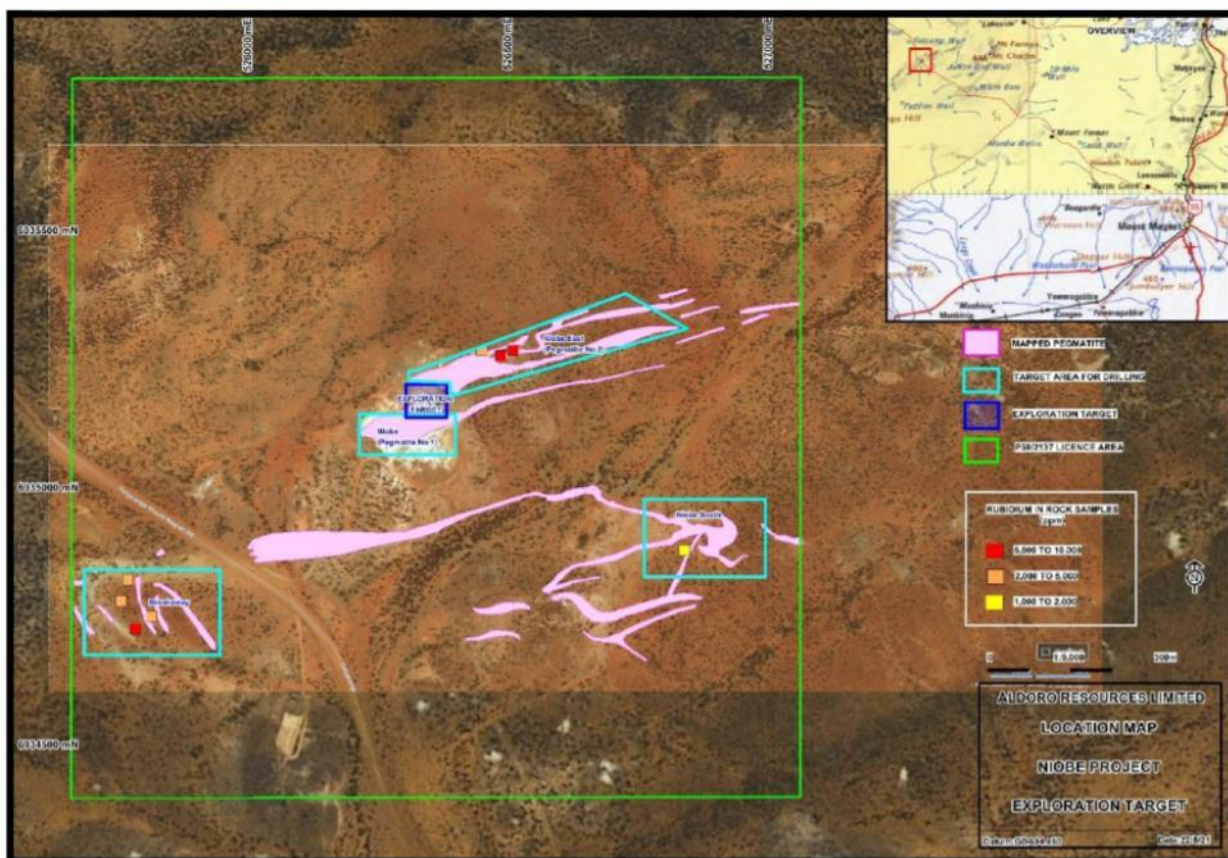


Figure 13. Location Map showing the location of the Exploration Target, mapped pegmatites, and proposed areas for drilling. Also shown are the few rock samples with Rb analyses available.

East, Pegmatite Southeast, and Breakaway, where preliminary pXRF readings confirmed encouraging Rubidium (Rb) results (**ASX announcement 21 September 2021**). On this basis, the positions of 66 drill hole collars were sighted to increase the exploration target footprint. The Company noted that the Exploration Target metrics closely parallel those of the World's largest Rubidium deposit in the Guangdong Province of China.

**It must be noted that Aldoro confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the previous market announcement continue to apply and have not materially changed.*

Directors' Report

Sixty-Six-Hole Program Targeting Both Lithium ("Li") and Rubidium ("Rb") To Commence at the Niobe project With The Arrival of RC Drill Rig On-Site.

In November, Aldoro announced the arrival of the RC rig at Niobe, ready to commence a planned 3,730m drill program across 66 drill holes. The program would start on the Niobe East pegmatite system, aiming to increase the exploration target based on the limited historical drilling and recent rock chips sampling results (**ASX announcement 24 November 2021**).

Drilling would also be conducted at the Breakaway and Niobe Southeast pegmatites, where historical drilling has not tested for the presence of Rb and Li. Rock chip sampling at the Breakaway pegmatites, to the west, found anomalous Rb and Li extends over a strike length of 100m, while at Niobe Southeast, the few samples collected have anomalous Rb values.

Despite the arrival of the RC Rig on-site, the commencement of drilling operations was delayed due to a total fire ban across the entire Niobe project area. Upon lifting of the fire ban, earthworks and resource drilling proceeded early in the New Year.



Figure 15. Drill rig set up for Niobe East.

Directors' Report

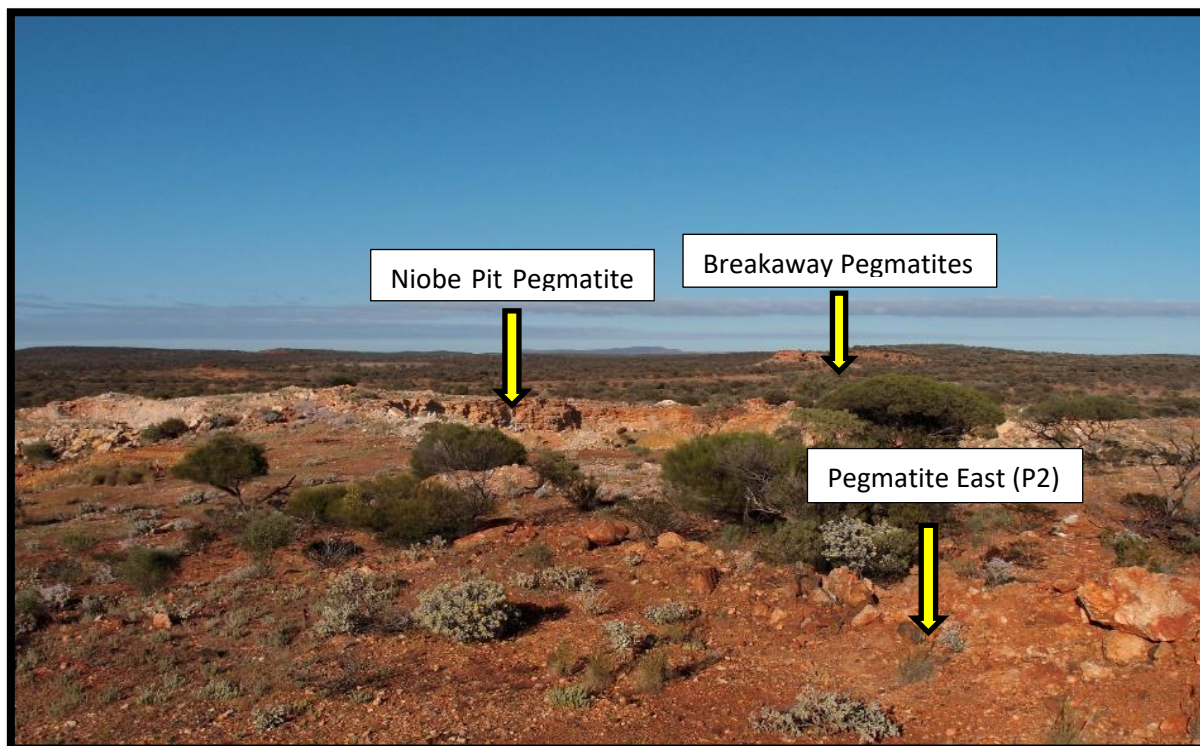


Figure 14. Photo looking across Niobe east to Niobe Main Pit flanked by mineralised pegmatite excavations. Large clusters of botryoidal zinnwaldite are visible in the large block excavated from the main pit.

Assay Results Reported up to 0.93% Rubidium and 0.86% Lithium Oxide (Li₂O) From The 46 Rock Chip Samples Collected at Niobe East, Southeast and Breakaway.

Assay results from 46 rock chip samples collected at the Niobe East, Niobe Southeast and Breakaway pegmatites were received. Assays confirmed Rubidium and Lithium prospectivity beyond Niobe Main Pit (Figure 17). The average Rubidium (Rb) value was 1,892ppm with a range of 34.7 to 9,307ppm, while the average lithium (Li) value was 0.0725% with a range of 0.005 to 0.40%. Caesium (Cs) averaged at 200ppm with a range of 3.1 to 1,934ppm.

At Niobe East, anomalous Rb and Li values extend over 400m in strike length, providing justification to the proposed drilling program into this multilayered pegmatite section. At the Breakaway pegmatites, to the west, anomalous Rb and Li extend up to a strike length of 100m, while at Niobe Southeast, the few samples collected have Rb values up to 0.2%. The planned drilling program's POW was approved, and a Heritage Survey was completed before the year's end.

Directors' Report

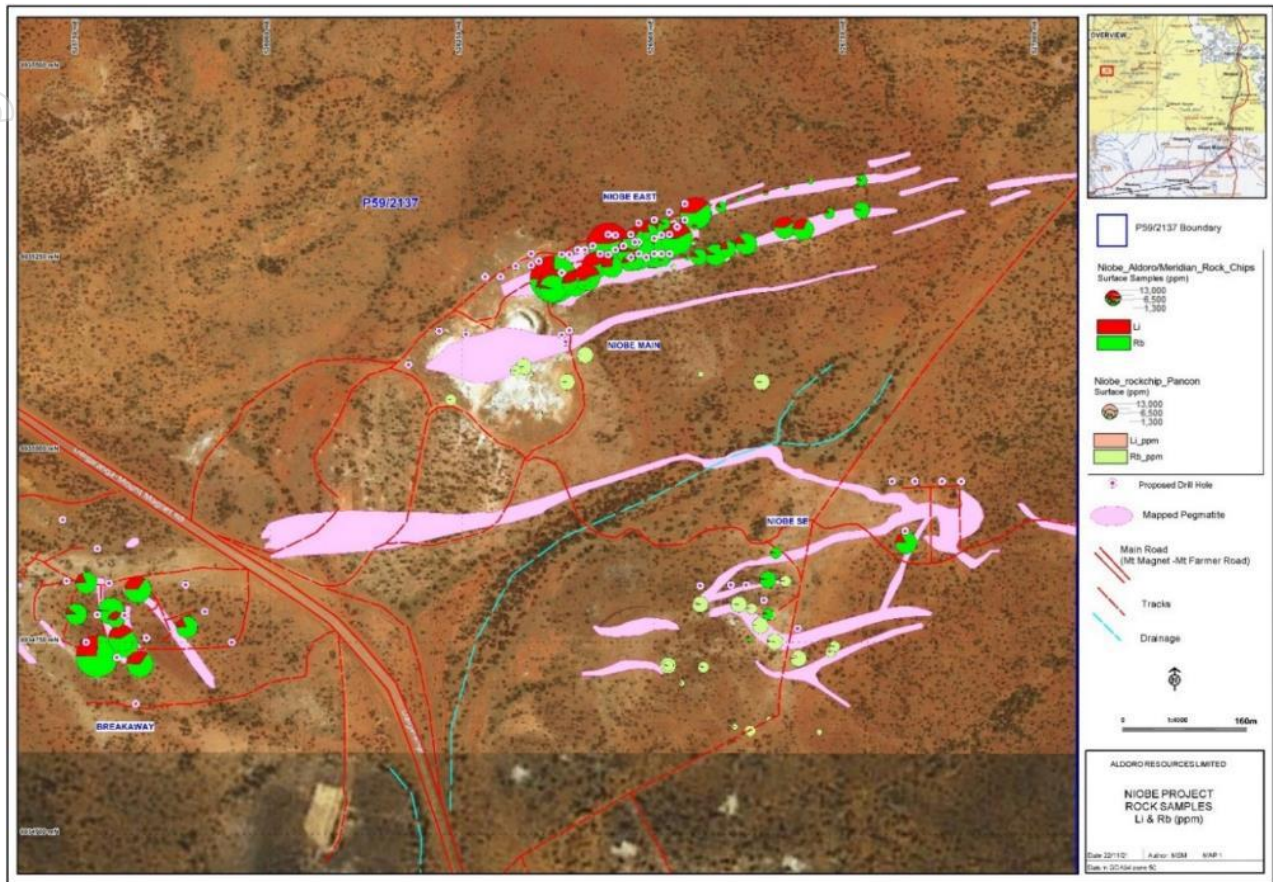


Figure 17. Thematic map showing the Lithium and Rubidium results in ppm for the outcrop rock samples collected by Aldoro (46) and Meridian 120(6) (previous licence holder) over the historical rock chip sampling by Pancontinental (1984-1986).



Figure 18. Rock sample NR0004, greisen-like morphology consisting of micaceous laths and microcline. Laboratory analysis reported 9,307ppm Rb and 0.32%Li and 1,934ppm Cs. Arrows indicate the sample outcrop and rock texture on a fresh face.

Directors' Report

The outcrop dispersion of Rb and Li results are generally consistent with those obtained by Pancontinental in the mid-1980s giving confidence to the historical drilling assays from the same period, which were used to define an Exploration Target over the Niobe Main pegmatite (**ASX announcement 27 August 2021**).

OTHER PROJECTS

Leinster Project

During the period, a brief field visit was conducted to E36/930 with 16 samples collected, 12 stream sediment samples and 4 rock chip samples. The rock chip samples were taken from outcrop exposures revealed from a prospector scrape and included a possible shear zone, an altered silicified mafic rock and a banded iron. Analytical results were not anomalous in gold or the base metal suite.

CORPORATE

Capital Raising

During the half year, the Company conducted a placement of 6 million shares (Placement Shares) priced at \$0.40 to raise \$2.4 million before costs (Placement).

The Placement Shares were issued on 19 August 2021 under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1. The proceeds of the Placement are used to expand the Company's drilling program at the Narndee project in addition to augmenting working capital.

The Aldoro board has committed to supporting the Placement subject to shareholder approval at the upcoming Annual General Meeting (AGM). At the AGM, approval was sought from shareholders for director participation in the Placement being:

Joshua Letcher:	\$70,000 at \$0.40
Lincoln Ho:	\$20,000 at \$0.40
Troy Flannery:	\$40,000 at \$0.40

Xcel Capital acted as lead manager to the Placement and was paid a fee of 6% + GST which Xcel elected to take in shares issued at the Placement price. Xcel was also issued 1.75 million unlisted broker options with a \$0.50 strike and a 9th September 2023 expiry.

Investment in Aurum Resources Limited

In May (ASX Announcement 26 May 2021), Aldoro announced its intention to divest its portfolio of gold assets that included the Penny South Gold Project, the Ryans Find Project, and the Unaly Hill South Project through the listing on the ASX Aurum Resources Limited ('Aurum'). Aurum has now raised \$5,000,000 in new equity via an IPO and ASX Listing.

During the half year, Aurum issued 5,000,000 shares in relation to the Spin Out and initial public offering of to eligible Aldoro shareholders. Aldoro holds approximately 16.67% of Aurum Resources Limited, valued at \$0.925 million as at 31 December 2021.

Tenement Acquisitions

On 7 July 2021, the Company issued the 441,176 ordinary shares valued at \$150,000 pursuant to the binding tenement sale agreement (Agreement) with Meridian 120 Mining Pty Ltd (Meridian) for the acquisition of Meridian's 100% interest in E57/1017 and P59/2137 located in the Mt Magnet area of Western Australia (the Tenements). In addition, the Company paid \$50,000 in cash to Meridian as part of acquisition considerations. On 29 July 2021, The Company has announced that the conditions relating to the acquisition have been met and the acquisition has been settled.

Directors' Report

On 11 October 2021, the Company entered into a binding heads of agreement with Trafalgar Resources Pty Ltd (ACN 612 053 166) (Trafalgar) for the acquisition of Trafalgar's 100% interest in E58/555 located in the Mt Magnet area of Western Australia. The Company paid Trafalgar \$50,000 in cash and going to pay 275,000 shares on the date that is ten (10) business days following grant of the Tenement Application. The tenements are under the transfer process up to the reporting date.

Annual General Meeting

The Company held its Annual General Meeting on 30 November 2021. All resolutions were carried by way of a poll.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial half-year.

FINANCIAL RESULTS

The financial results of the Group for the half-year ended 31 December 2021 are:

	31-Dec-21	30-Jun-21
Cash and cash equivalents (\$)	2,759,234	3,899,009
Net assets (\$)	9,739,615	7,837,016

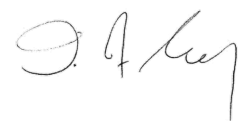
	31-Dec-21	31-Dec-20
Revenue (\$)	190	64,657
Net loss after tax (\$)	(1,113,284)	(630,177)
Loss per share (cents)	(1.29)	(0.97)

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is included within this financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Troy Flannery
Non-Executive Director

Perth, Western Australia
Dated 14 March 2022

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Aldoro Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Rsm

RSM AUSTRALIA PARTNERS

AIK KONG TING

AIK KONG TING
Partner

Perth, WA
Dated: 14 March 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2021

	Note	31-Dec-21 \$	31-Dec-20 \$
Revenue from continuing operations			
Other income		190	64,657
Gain on sale of asset		31,249	-
Administrative expenses		(107,163)	(92,050)
Advertising and marketing		(115,188)	-
Compliance and regulatory expenses		(55,548)	(29,253)
Consulting and legal fees		(95,447)	(114,592)
Employee benefit expenses		(210,600)	(98,002)
Exploration consulting fees		(85,308)	(6,946)
Investor relations		(30,000)	(27,750)
Impairment expense		(263,944)	(121,323)
Occupancy costs		(16,300)	(6,720)
Option fee		(50,000)	-
Other expenses		(65,225)	(11,598)
Share-based payment expense		-	(186,600)
Unrealised loss on revaluation of equity instruments		(50,000)	-
Loss before income tax expense		(1,113,284)	(630,177)
Income tax expense		-	-
Loss after income tax for the period		(1,113,284)	(630,177)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to members of Aldoro Resources Limited		(1,113,284)	(630,177)
Loss per share for the period attributable to the members of Aldoro Resources Limited			
Basic and diluted loss per share (cents)		(1.29)	(0.97)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position
As at 31 December 2021

	Note	31-Dec-21 \$	30-June-21 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,759,234	3,899,009
Trade and other receivables		401,994	76,098
Asset held for sale		-	1,168,750
Total Current Assets		3,161,228	5,143,857
Non-current Assets			
Exploration and evaluation expenditure	3	5,500,525	2,959,104
Property and Equipment	4	330,084	-
Financial assets at fair value through profit or loss	5	950,000	-
Total Non-Current Assets		6,780,609	2,959,104
TOTAL ASSETS		9,941,837	8,102,961
LIABILITIES			
Current Liabilities			
Trade and other payables		202,222	265,945
Total Current Liabilities		202,222	265,945
TOTAL LIABILITIES		202,222	265,945
NET ASSETS		9,739,615	7,837,016
EQUITY			
Contributed equity	6	13,856,608	11,256,095
Reserves	7	2,071,730	1,656,360
Accumulated losses		(6,188,723)	(5,075,439)
TOTAL EQUITY		9,739,615	7,837,016

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2021

Consolidated	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2021	11,256,095	1,656,360	(5,075,439)	7,837,016
Loss for the period	-	-	(1,113,284)	(1,113,284)
Total comprehensive loss for the period after tax	-	-	(1,113,284)	(1,113,284)
<i>Transactions with owners in their capacity as owners</i>				
Issue of share capital	3,161,363	-	-	3,161,363
Share issue costs	(560,850)	-	-	(560,850)
Share-based payments	-	415,370	-	415,370
At 31 December 2021	13,856,608	2,071,730	(6,188,723)	9,739,615

Consolidated	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2020	8,186,083	110,000	(2,430,455)	5,865,628
Loss for the period	-	-	(630,177)	(630,177)
Total comprehensive loss for the period after tax	-	-	(630,177)	(630,177)
<i>Transactions with owners in their capacity as owners</i>				
Issue of share capital	1,217,022	-	-	1,217,022
Share issue costs	(88,840)	-	-	(88,840)
Share-based payments	-	245,100	-	245,100
At 31 December 2020	9,314,265	355,100	(3,060,632)	6,608,733

The Consolidated Statement of Changes in Equity should be read
in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2021

	Note	31-Dec-21 \$	31-Dec-20 \$
Cash flows from operating activities			
Payments to suppliers and employees		(918,220)	(257,047)
Interest received		190	7,111
Other income		-	7,546
Net cash used in operating activities		(918,030)	(242,390)
Cash flows from investing activities			
Payments for exploration and evaluation costs		(2,655,365)	(903,007)
Payments for property and equipment		(342,263)	-
Net cash used in investing activities		(2,997,628)	(903,007)
Cash flows from financing activities			
Proceeds from issue of shares		2,777,363	1,217,022
Refund from options		(1,480)	-
Share issue costs		-	(88,840)
Net cash provided by financing activities		2,775,883	1,128,182
Net decrease in cash and cash equivalents		(1,139,775)	(17,215)
Cash and cash equivalents at beginning of the period		3,899,009	2,203,956
Cash and cash equivalents at end of the period		2,759,234	2,186,741

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	8 years
Motor Vehicles	8 years
Computer Equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(b) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Consolidated Financial Statements

NOTE 2 SEGMENT INFORMATION

The Group operates only in one reportable segment being predominately in the area of gold and nickel mineral exploration in Australia. The Board considers its business operations in gold and nickel mineral exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

NOTE 3 EXPLORATION AND EVALUATION EXPENDITURE

	31-Dec-21 \$	30-Jun-21 \$
Carrying amount of exploration and evaluation expenditure	5,550,525	2,959,104
At the beginning of the period	2,959,104	4,003,781
Asset Acquisition	100,000	-
Exploration expenditure incurred	2,555,365	967,694
Acquired through share consideration	200,000	-
Reclassification to asset held for sale	-	(1,375,096)
Impairment expense	(263,944)	(637,275)
At the end of the period	5,500,525	2,959,104

The impairment expense relates to relinquished tenements from the Cathedral Project. On 30 June 2021, the Company has relinquished tenements E29/1035, E29/1032, E29/1029, E29/1031 and E29/1032, but kept tenement E29/1030 for exploration. According to the current decision, E29/1030 will also be transferred back to Blue Ribbon Mines Pty Ltd. All the tenements belong to the Cathedral Project are currently under the transfer process. The exploration expenditure on E29/1030 of \$263,944 has been impaired in this period.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

	31-Dec-21 \$	30-Jun-21 \$
Buidlings - at cost	247,390	-
Less: Accumulated depreciation	(7,622)	-
	239,768	-
Vehicles - at cost	90,129	-
Less: Accumulated depreciation	(4,303)	-
	85,826	-
Computer Equipment - at cost	4,745	-
Less: Accumulated depreciation	(255)	-
	4,490	-
	330,084	-

Notes to the Consolidated Financial Statement

NOTE 4 PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Land and buildings \$	Motor Vehicles \$	Computer Equipment \$	Total \$
Balance at 1 July 2021	-	-	-	-
Additions	247,390	90,129	4,745	342,264
Depreciation expense	(7,622)	(4,303)	(255)	(12,180)
Balance at 31 December 2021	<u>239,768</u>	<u>85,826</u>	<u>4,490</u>	<u>330,084</u>

During the period, the Company entered an agreement with Modular Building Brokers Australia Pty Ltd to purchase transportable buildings, including a four-bedroom building, office/multipurpose building, and a kitchen functional container, to facilitate the Narndee drilling project. The buildings can be transported to different projects and adopted eight years as its expected use of life.

NOTE 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31-Dec-21 \$	30-Jun-21 \$
Unlisted ordinary shares	<u>950,000</u>	-
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	-
Additions	1,000,000	-
Revaluation decrement	(50,000)	-
Closing fair value	<u>950,000</u>	-

Financial assets are recorded at level 1 fair value, being quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Notes to the Consolidated Financial Statement

NOTE 6 CONTRIBUTED EQUITY

(a) Issued and fully paid

	31-Dec-21		30-Jun-21	
	No.	\$	No.	\$
Ordinary shares	89,438,589	13,856,608	80,516,203	11,256,095

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share hold.

(b) Movement reconciliation

	Date	Number	Issue Price	\$
At 1 July 2021		80,516,203	-	11,256,095
Meridian Mining tenement acquisition	29/07/2021	441,176	\$0.340	150,000
Placement	19/08/2021	5,675,000	\$0.400	2,270,000
Issued to the Lead Manager in lieu of capital raising fees	19/08/2021	360,000	\$0.400	144,000
Exercise of unlisted options at \$0.3	26/08/2021	21,210	\$0.300	6,363
Exercise of unlisted options at \$0.175	26/08/2021	200,000	\$0.175	35,000
Exercise of unlisted options at \$0.175	02/09/2021	200,000	\$0.175	35,000
Exercise of unlisted options at \$0.234	02/09/2021	500,000	\$0.234	117,000
Exercise of unlisted options at \$0.175	30/09/2021	100,000	\$0.175	17,500
Exercise of unlisted options at \$0.234	30/09/2021	400,000	\$0.234	93,600
Exercise of unlisted options at \$0.225	22/10/2021	100,000	\$0.225	22,500
Exercise of unlisted options at \$0.234	18/11/2021	400,000	\$0.234	93,600
Issued to directors for participation in placement completed in	09/12/2021	325,000		130,000
August			\$0.400	
Exercise of unlisted options at \$0.234	15/12/2021	200,000	\$0.234	46,800
Share issue costs	19/08/2021	-	-	(560,850)
At 31 December 2021		89,438,589		13,856,608

NOTE 7 RESERVES

	31-Dec-21	30-Jun-21
	\$	\$
Share based payment reserve	2,071,730	1,656,360
Movement reconciliation		
Balance at beginning of the period	1,656,360	110,000
Issue of unlisted options	415,370	950,420
Issue of listed options	-	595,940
Balance at the end of the period	2,071,730	1,656,360

Notes to the Consolidated Financial Statements

NOTE 8 SHARE-BASED PAYMENTS

	31-Dec-21 \$	30-Jun-21 \$
Recognised share-based payment transactions		
Unlisted Options issued to Directors	-	186,600
Unlisted Options issued to Lead Manager ⁽ⁱ⁾	415,370	-
Unlisted Options issued to Corporate Advisor	-	763,820
Listed Options issued to Directors	-	420,000
Shares issued in consideration of services	-	220,000
	415,370	1,590,420
<i>Reconciliation:</i>		
Share-based payment expense	-	606,600
Consulting and legal fees	-	58,500
Advertising and marketing expense	-	220,000
Share issue cost	415,370	705,320
	415,370	1,590,420

- (i) On 19 August 2021, the Company issued 1,750,000 unlisted options to Xcel Capital Pty Ltd, the Lead Manager, as part of the capital raising fee of the placement. These options vest immediately, entire amount has been recorded in share issue costs at 31 December 2021.

The options issued to the Lead Manager of the Company, have been valued using the Hoadley ES02 valuation model. The model and assumptions are shown in the table below:

Hoadley ES02 Valuation Model	
	Lead Manager
Grant Date	19/08/2021
Expiry Date	9/09/2023
Strike (Exercise) Price	\$0.50
Underlying Share Price (at date of issue)	\$0.51
Risk-free Rate (at date of issue)	0.03%
Volatility	100%
Number of Options Issued	1,750,000
Dividend Yield	0%
Early Exercise Multiple	2.5x
Fair value per option	\$0.24
Total Fair Value of Options	\$415,370

NOTE 9 RELATED PARTY TRANSACTIONS

During the period, the Company entered a consulting service agreement for geological consulting with the Chairman, Joshua Letcher. The total consulting fees paid to Joshua Letcher is \$66,477 during the half-year period.

During the period, the Company entered a consulting service agreement for geological consulting with the Non-Executive Director, Troy Flannery. The total consulting fees paid to Troy Flannery is \$11,700 during the half-year period.

The transactions were made on normal commercial terms and conditions and at market rates.

Notes to the Consolidated Financial Statements

NOTE 10 DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2021 (30 June 2021: Nil). The Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2021.

NOTE 11 CONTINGENCIES

There have been no changes to contingent liabilities or assets since 30 June 2021.

NOTE 12 COMMITMENTS

Trafalgar Tenement E58/555

At 31 December 2021, the Company has a commitment to issue 275,000 fully paid ordinary shares (ARN) to Trafalgar Resources Pty Ltd (Vendor) on the date that is 10 days from the grant of the mining tenement and upon satisfaction of the terms and conditions set out in the sale agreement.

Other than the above, there have been no changes to contingencies from 30 June 2021.

NOTE 13 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 11 March 2022, the Company announced the resignation of Josh Letcher as the Non-executive Chairman, and the appointment of Mark Mitchell as the Technical Director on the same day.

The impact of the Coronavirus (COVID-19) pandemic is ongoing for the Group up to 31 December 2021. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years

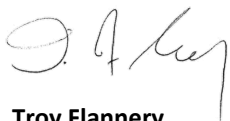
Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Troy Flannery
Non-Executive Director
14 March 2022

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aldoro Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 31 December 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*. As the auditor of Aldoro Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aldoro Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 Aldoro Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 the *Corporations Regulations 2001*.

Rsm

RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 14 March 2022