



Oar Resources Limited and its Controlled Entities

ACN 009 118 861

**Half Year Report
31 December 2021**

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Christopher Gale - Executive Chairman

Mr Justin Richard - Managing Director

Mr David Vilensky - Non-Executive Director

Mr Anthony Greenaway - Non-Executive Director

COMPANY SECRETARY

Mr Yugi Gouw

AUDITORS

Hall Chadwick Audit (WA) Pty Ltd

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STOCK EXCHANGE LISTING

Australian Securities Exchange

Code: OAR

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REVIEW OF OPERATIONS

COMPANY OVERVIEW

Oar Resources Limited (“Oar” or “the Company”) is a diversified mineral resources exploration company with a portfolio of projects in demand driven commodities.

Oar’s core assets include the 100%-owned Crown Nickel-Copper-PGE (platinum-group elements) Project in the Julimar district, in Western Australia, and a portfolio of gold exploration projects in the highly prospective gold province of Nevada, in the United States, in an area that hosts several multi-million-ounce deposits. The Company also holds a package of tenements on the Eyre Peninsula in South Australia, including the Gibraltar Halloysite-Kaolin Project, considered highly prospective for kaolinite and halloysite mineralisation, graphite, iron ore and other commodities. Oar’s Peruvian subsidiary, Ozinca Peru SAC, owns a CIP gold lixiviation plant, strategically located proximal to thousands of small gold miners in Southern Peru.

Crown Ni-Cu- PGE Project, Yilgarn Craton, Western Australia

The Crown Project (E70/5406) is 100%-owned by Oar, and is located in the Julimar district, within the Yilgarn Craton, approximately 70km northeast of Perth in Western Australia.

It covers a series of prominent magnetic structures interpreted to represent mafic volcanic rocks, considered highly prospective for Ni-Cu-PGE and gold mineralisation, which are yet to be drill tested. The Crown Project is situated eight kilometres west of the Julimar Complex, which hosts Chalice Mining’s (ASX: CHN) world-class Gonnevillle PGE-Ni-Cu-Co-Au discovery, making it the closest explorer to the Julimar Project (Figure 1).

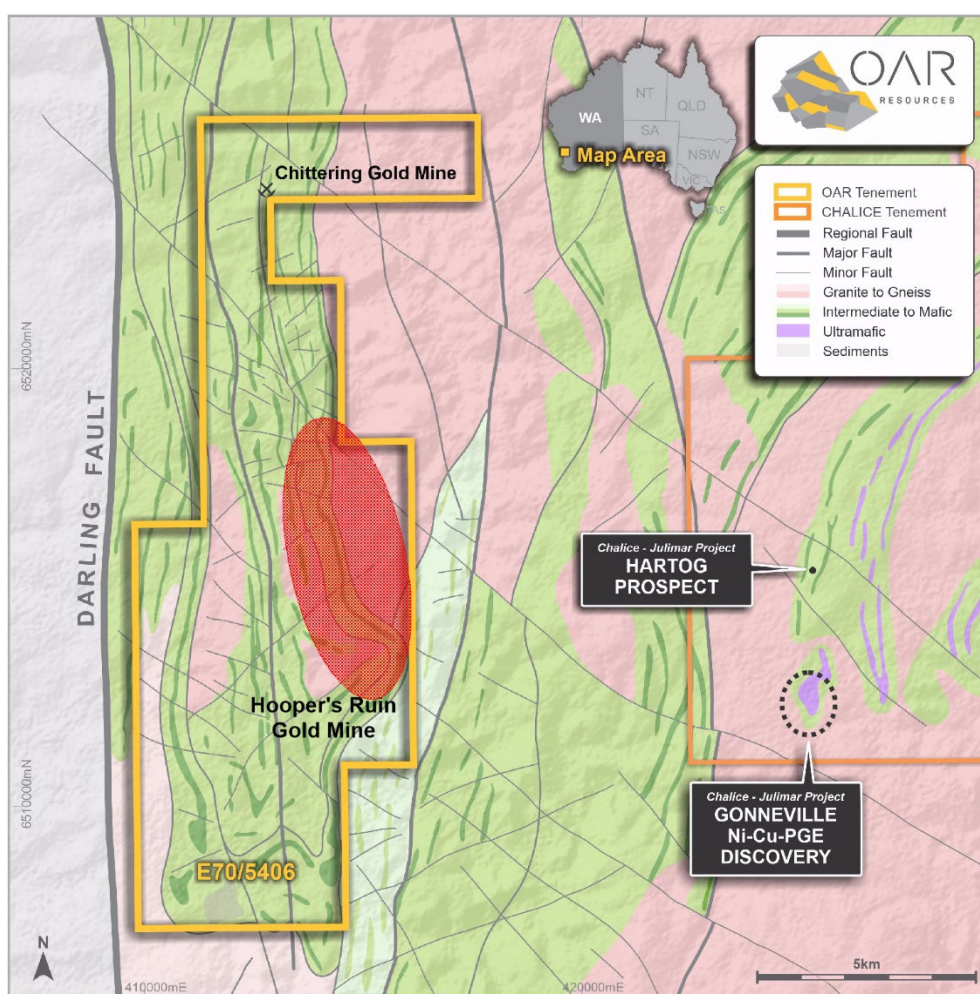


Figure 1: Crown Project simplified geology showing proposed airborne EM survey area (red hatching)

During the Half-Year, Oar continued to advance its targeted exploration at Crown, and achieved good progress. This initial phase of fieldwork is designed to deliver a thorough understanding of the geological setting of the Project area, in three stages:

- **Stage 1:** Detailed geological mapping and outcrop mapping, aimed at identifying basement geology which has historically been poorly understood and mis-mapped.
- **Stage 2:** Systematic soil/surface geochemical sampling, aimed at defining drilling targets, including airborne geophysical survey.
- **Stage 3:** Drill testing of priority targets identified.

Oar undertook a systematic soil sampling and field mapping campaigns, designed to help identify priority drill targets for a maiden drilling.

Approximately 310 soil samples were collected (Figure 2), and submitted for P-XRF multi-element analysis. Results highlighted several areas of isolated low-level nickel and copper anomalism that will require field verification. The Company's soil sampling program is ongoing.



Figure 2: Soil Sampling at the Crown Project

Oar also expanded its land access footprint at the Crown Project in the reporting period, with the signing of an additional land access agreement. This opened-up new high-priority target areas. The Company now has access to two key target areas, and has established a positive rapport with local landholders.

Oar's fieldwork at the Crown Project has resulted in the definition of two broad geological domains (Figure 3):

- The Western Domain, which is interpreted as being less prospective and is dominated by granitic lithologies; and
- The Eastern Domain, which is characterised by a mixture of the targeted mafic, ultramafic and granitic lithologies – the Eastern Domain will be the main exploration focus moving forward.

Petrological analysis from the rock chip sampling program confirmed the presence of ultramafic amphibolite rocks containing copper sulphides. This was significant in that it confirmed the presence of the targeted host rocks at the Crown Project (ASX announcement, 5 October 2021).

A total of 74 rock-chip samples were submitted for laboratory multi-element analysis during the half-year, which helped build on the Company's regional geological interpretation within the project area. Assay results were returned for all samples collected, with no significant results reported (Table 1, ASX announcement 15 November 2021 and Appendix 1, ASX announcement 25 January 2022).

It is noted that the rock chip results to date have come from a very limited part of the project area, and predominately on the less prospective Western Domain.

A detailed airborne electromagnetic (EM) geophysical survey covering multiple target areas within the Eastern Domain is planned to be flown in the first half of calendar 2022 (Figure 1). This EM survey is aimed at identifying drilling targets for a first phase of drilling.

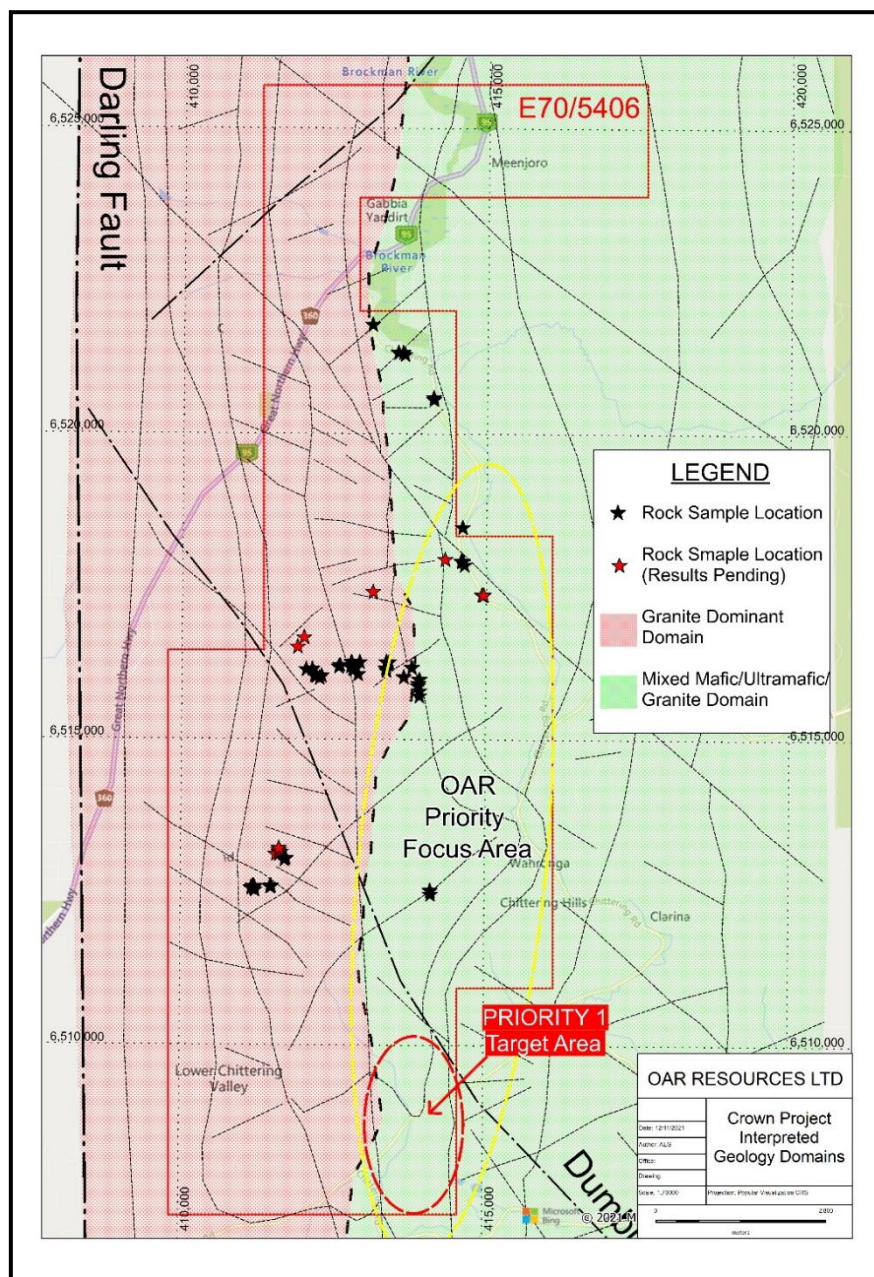


Figure 3: Crown Project - interpreted Western (red) and Eastern (green) lithological domains

Douglas Canyon Gold Project, Nevada, USA

During the half, Oar commenced its first phase of drilling at the Company's 100%-owned Douglas Canyon Gold-Silver Project in the prolific Walker Lane Gold-Silver district in Nevada, USA (ASX announcement 1 November 2021).

The Project is located in the Camp David/Mina district in Southern Nevada which hosts numerous high-grade gold-silver epithermal projects (Figure 4). The Project has an approved CFR43-101 Exploration Permit and is fully bonded with the United States Bureau of Land Management (BLM).

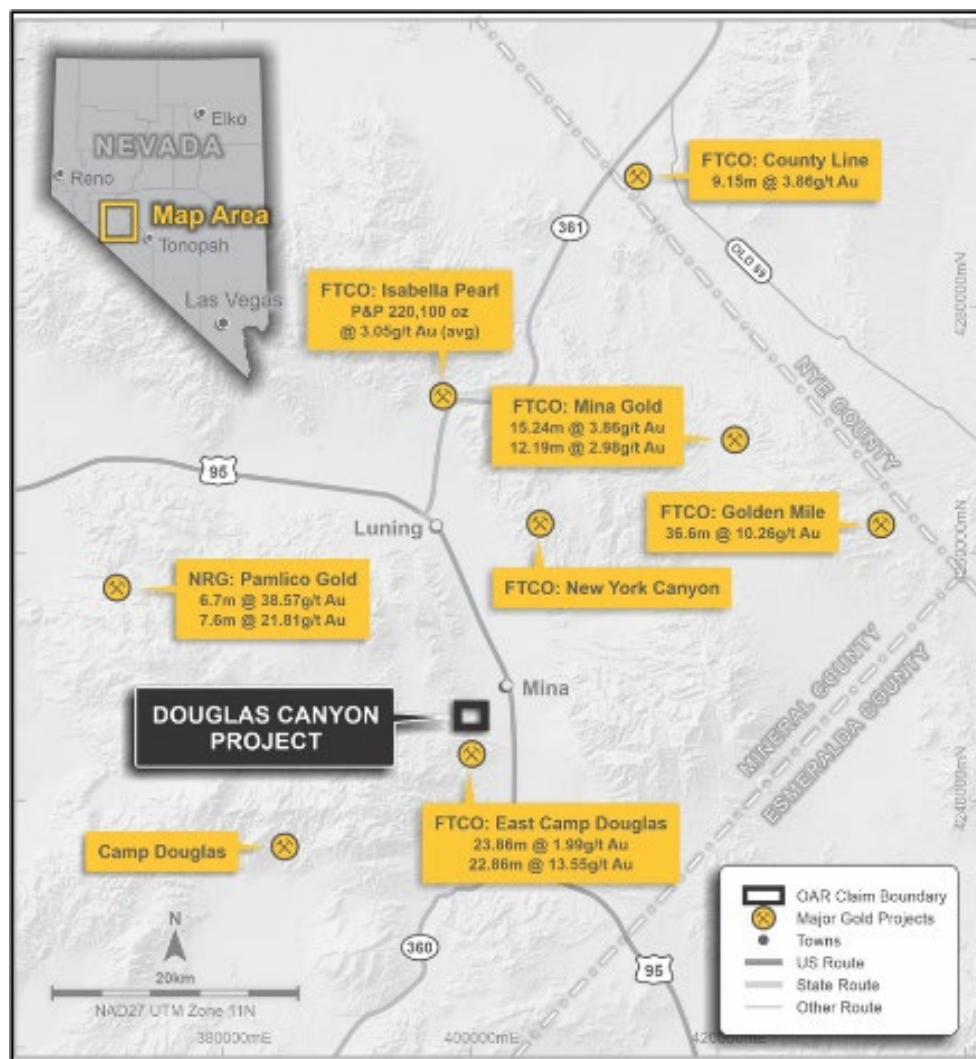


Figure 4: Douglas Canyon Project area also showing project locations and exploration results by other gold companies in the region; Fortitude Gold Corporation (FTCO) and New Range Gold Corporation (NRG)

This drilling program is planned to comprise up to four diamond drill holes for a total of approximately 1,000m of HQ drill core, and is targeting a series of parallel vein structures containing high-grade outcropping gold and silver mineralisation (Appendix 1, ASX announcement, 21 December 2021).

The first hole in the program is DCD_02, and is targeting the depth extension of a highly fractured high-grade quartz vein within highly sheared meta sediments mapped at surface.

Drilling at DCD_02 successfully intersected a silica matrix brecciated quartz vein at a depth of approximately 213.5m (700.5ft) (Figure 5). It was paused at this depth over the Christmas-New Year and due to adverse weather conditions, and is planned to recommence in March 2022.

The silica flooded host rock, with thin quartz stringers and highly siliceous quartz breccias observed in the drilling to date are encouraging for the discovery of further gold mineralisation.

A total of 175 individual core samples have been sent for laboratory analysis to date, with results received in the late December and early January 2022. While the initial observations are seen as very encouraging, no significant results were returned (refer to Appendix 1, ASX announcement 25 January 2022).

Upon recommencement, drilling in the current hole will continue to the target depth of approximately 250-300m. The drilling rig will then be relocated to the second hole (DCD_01), to test a parallel structure to the north.



Figure 5: Drill core from hole DCD_02 at the Douglas Canyon Project showing silica matrix brecciated vein, and silica flooded host rocks

Subsequent to the reporting period, Oar expanded the Douglas Canyon Project area, via the strategic addition of new claims immediately adjacent and to the west of the existing Project tenure. The new claims increase the Project area by an additional $\sim 2.59\text{km}^2$ (~ 259 hectares) to approximately 6.47km^2 (647 hectares), and increases the interpreted strike length to in excess of 2.5km (ASX announcement, 21 February 2022).

Lambarson Canyon Gold Project, Nevada, USA

No on-ground exploration was undertaken at Lambarson Canyon during the half-year. A detailed review of all existing drilling, geochemical and geophysical data is ongoing. The next phases of proposed work at the Project are to include detailed geological mapping, close spaced geochemical sampling, surface geophysics, and follow up drilling (subject to results).

Gibraltar Halloysite-Kaolin Project, Eyre Peninsula, South Australia

The Gibraltar Project ("Gibraltar" or "The Project") is located to the north and adjacent to Andromeda Metals' Ltd (ASX: ADN) Mt Hope Kaolin-Halloysite Project on the Eyre Peninsula, in South Australia.

Oar reported exceptionally high-grade Halloysite results from drilling at the Gibraltar Project during the reporting period (ASX announcement, 1 September 2021).

Individual grades as high as 53% halloysite were returned from one composite sample. This was amongst the highest grade halloysite to be reported in the area. This result combined with multiple other holes, which returned samples grading in excess of 30% halloysite confirmed the discovery of a new, high-grade halloysite project at Gibraltar (Figure 6).

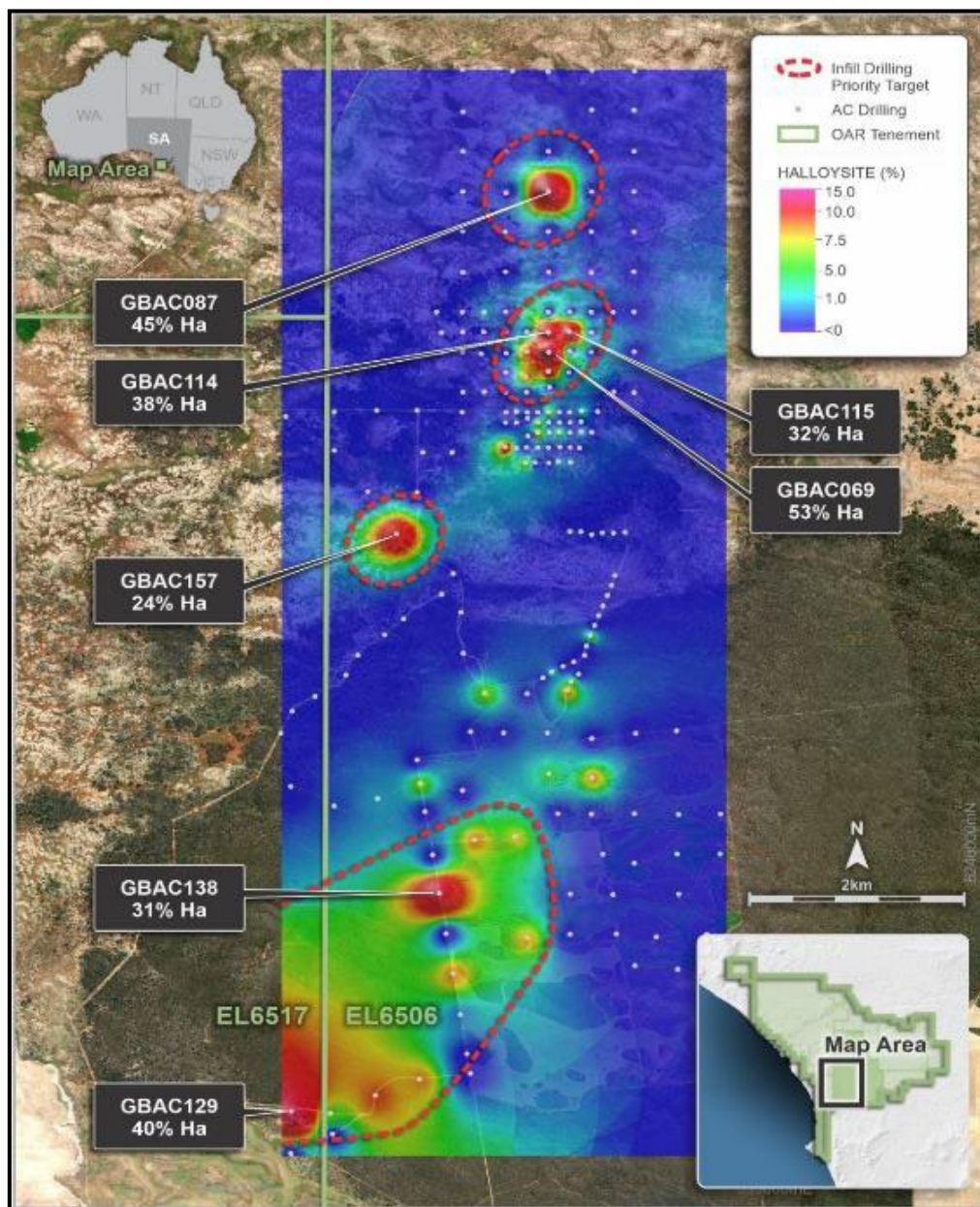


Figure 6: Gibraltar Project with all aircore drill collars and maximum down-hole halloysite value contours plus selected composite results

Chimu Gold Plant, Peru

During the half-year, the Company recommenced work at the Chimu Gold Plant in Peru, after operations were previously paused due to the impact of COVID-19. Oar upgraded the beneficiation operation license from 40 tonnes per day to 340 tonnes per day. The design of a proposed upgrade of the plant commenced, and a land access permit was granted.

Strategic Project Review

The Company is also undertaking a strategic review of its project portfolio. As part of this process, it is currently reviewing several investment and divestment opportunities for its exploration assets on the Eyre Peninsula in South Australia.

These projects comprise six contiguous exploration licences covering approximately 1,520km² of the Gawler Craton on the western flank of the Eyre Peninsula. The projects are:

- The Oakdale Graphite Project
- The Bramfield Iron Ore Project
- The Gibraltar Halloysite-Kaolin Project

CORPORATE

Binding Agreement for Sale of Bramfield Iron Ore Project

Subsequent to the reporting period, The Company entered into a definitive and binding Tenement Sale Agreement for the sale of its non-core Bramfield Iron Ore Project in South Australia to Vietnamese based company, The Hoa Phat Group via its subsidiary Dragon Resource Investment Pty Ltd (“DRI”) for all-cash consideration of \$500,000 (ASX announcement, 10 February, 2022).

The Bramfield Sale was part of Oar’s ongoing strategic review to rationalise its portfolio and where possible, generate cash from non-core assets, to apply towards its core assets.

The all-cash sale of consideration of \$500,000 represents significant additional non-dilutive funding that will help strengthen the Company’s balance sheet.

Small Share Parcel Sale Facility Completed

Oar completed a Small Share Parcel Sale Facility (ASX announcement, 30 September 2021). The Facility allowed shareholders with less than a marketable parcel of shares to exit the Company’s share register without incurring brokerage fees. A total of 1,594 shareholders with an aggregate of 15,111,391 shares participated in the Facility. The shares were sold at an average price of 1.35 cents each by the Company’s Broker, Euroz Hartleys. The Company’s shareholder base reduced by 1,594 shareholders as a result of the Facility, and will result in significantly reduced administrative and corporate costs moving forward.

Expiry of Listed Options

Oar reported that 546,367,293 listed options exercisable at \$0.04 each on or before 31 December 2021 (OARO) were not exercised and had expired, and also that 121,261,905 listed options exercisable at \$0.03 each on or before 30 November 2021 (OAROC) were not exercised and had expired.

Change of Registry Address

The Company’s share register, Automic Pty Ltd, changed its Perth office address to: Level 5, 191 St Georges Terrace Perth WA 6000. All other contact information is unchanged.

Competent Person’s Statement

The information in this Announcement for Oar Resources Limited was compiled by Mr. Anthony Greenaway, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is an employee of Oar Resources Limited. Mr Greenaway 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 Greenaway consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

Your directors submit the financial report for the half-year ended 31 December 2021.

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 - Executive Chairman

Justin Richard - Managing Director (appointed on 1 February 2022)

David Vilensky - Non-Executive Director

Mr Anthony Greenaway - Non-Executive Director (appointed on 1 February 2022)

Joseph van den Elsen - Non-Executive Director (resigned on 1 February 2022)

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 on its tenements at the Crown PGE-Ni-Cu-Au Project, situated near the Julimar polymetallic discovery in Western Australia, and in Nevada USA where the Group target highly prospective yet under-explored trends of Carlin and epithermal style gold deposit, following the exercise of its option to acquire Alpine Resources (USA) Pty Ltd in 2020 and also Gibraltar in South Australia which are considered highly prospective for kaolinite and halloysite mineralisation.

Highlights of the reported progress during the period include:

Crown Project – (WA)

- Completion of the Crown Project acquisition. The project covers a series of prominent magnetic structures similar to and extending from Chalice Mining's (ASX: CHN) Julimar Complex, and which have not been drill tested.
- Detailed geological mapping and outcrop mapping, aimed at identifying basement geology which has historically been poorly understood and mis-mapped.
- Systematic soil/surface geochemical sampling, aimed at defining drilling targets, including airborne geophysical survey.

Nevada – (USA)

- Diamond drilling at Douglas Canyon targeting a series of parallel vein structures containing high-grade outcropping gold and silver mineralisation.
- An ongoing detailed review of all existing drilling, geochemical and geophysical data at Lambarson Canyon.

DIRECTORS' REPORT (CONT'D)

Gibraltar Project – (SA)

- Results from brightness and XRF analysis of composite samples has highlighted a large zone of bright-white kaolinite associated with granite basement rock.
- Exceptional high-grade Halloysite results from drilling at the Gibraltar Project during the reporting period.

CORPORATE

- Completion of a Small Share Parcel Facility where the Company's shareholder base was reduced by 1,594 holders, which will result in reducing administrative and corporate costs moving forward.

RESULTS OF OPERATIONS

The financial result for the half year ended 31 December 2021 was a loss of \$1,090,797 (2020: loss of \$669,401).

SIGNIFICANT EVENTS AFTER BALANCE DATE

Apart from matters disclosed below and contained within Note 14: 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.

The Company announced the appointment of Mr Justin Richard as CEO and Managing Director and Mr Anthony Greenaway as Non-Executive Director on 1 February 2022. It was also announced that Mr Joseph van den Elsen has resigned from his position as Non-Executive Director.

On 10 February 2022, the Company entered into a definitive and binding Tenement Sale Agreement for the sale of its non-core Bramfield Iron Ore Project in South Australia to The Hoa Phat Group for an all-cash consideration of \$500,000.

On 11 March 2022, the Company finalised a share placement to raise \$1.5million at a price of \$0.005 per share. Investors in the Placement will receive one free attaching option for every two shares subscribed in the Placement, with each option having an exercise price of \$0.01 and expiry date of three years from the date of issue. Brokers who supported the Placement will be issued with 60 million options on the same terms as the Placement options, subject to shareholder approval.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under s 307C of the Corporations Act 2001 for the half year ended 31 December 2021 has been received and can be found on page 26 of the half year report.

Signed on 16 March 2022 in accordance with a resolution of the Board of Directors.



Christopher Gale

Executive Chairman

Perth, 16 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 Dec 2021 \$	31 Dec 2020 \$
Continuing operations			
Other income	2	-	13,340
		-	13,340
Administrative expenses		(245,020)	(263,093)
Depreciation and amortisation		(900)	(422)
Finance costs		(2,181)	(1,547)
Occupancy costs		(18,300)	(12,700)
Employment costs		(208,651)	(169,113)
Development expenses		(304,757)	(130,330)
Share based payments		(187,524)	-
Net foreign exchange gain / (loss)		(31,090)	(20,760)
Other expenses from ordinary activities		(92,374)	(84,776)
Loss before income tax		(1,090,797)	(669,401)
Income tax benefit / (expense)		-	-
Net profit / (loss) for the year		(1,090,797)	(669,401)
<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		81,529	(48,157)
Other comprehensive income for the year, net of tax		81,529	(48,157)
Total comprehensive income attributable to members of the parent entity		(1,009,268)	(717,558)
Earnings per share			
Basic and diluted loss per share (cents per share)		0.06	0.05

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 2021

	Note	31 Dec 2021 \$	30 June 2021 \$
<i>Current assets</i>			
Cash and cash equivalents	4	725,688	2,519,259
Trade and other receivables	5	67,200	108,203
Other assets	6	23,096	50,810
Total current assets		815,984	2,678,272
<i>Non-current assets</i>			
Other assets	6	204,592	168,070
Plant and equipment	7	650,666	565,623
Exploration and evaluation costs	8	4,156,156	3,287,462
Right-of-use asset	9	17,153	8,011
Total non-current assets		5,028,567	4,029,166
Total assets		5,844,551	6,707,438
<i>Current liabilities</i>			
Trade and other payables	10	771,836	810,004
Provisions	11	194,140	201,413
Lease liabilities	12	17,153	8,832
Total current liabilities		983,129	1,020,249
<i>Non-current liabilities</i>			
Total non-current liabilities		-	-
Total liabilities		983,129	1,020,249
Net assets/(liabilities)		4,861,422	5,687,189
<i>Equity</i>			
Issued capital	13	10,381,114	10,551,004
Reserves		1,221,304	786,384
Accumulated losses		(6,740,996)	(5,650,199)
Total equity		4,861,422	5,687,189

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 2021

Note	Issued Capital \$	Accumulated Losses \$	Foreign Exchange Translation Reserve \$	Share-Based Payment \$	Total \$
Balance 1 July 2020	5,497,019	(3,711,926)	72,995	135,300	1,993,388
Loss for the period	-	(669,401)	-	-	(669,401)
Other comprehensive income for the period	-	-	(48,157)	-	(48,157)
Total comprehensive income for the period	-	(669,401)	(48,157)	-	(717,558)
Transactions with owners, directly in equity					
Options Issued during the period	-	-	-	33,000	33,000
Share application	2,740,000	-	-	-	2,740,000
Transaction costs	(217,249)	-	-	-	(217,249)
Balance 31 December 2020	8,019,770	(4,381,327)	24,838	168,300	3,831,581
Balance at 1 July 2021	10,551,004	(5,650,199)	86,021	700,363	5,687,189
Loss for the period	-	(1,090,797)	-	-	(1,090,797)
Other comprehensive income for the period	-	-	81,529	-	81,529
Total comprehensive income for the period	-	(1,090,797)	81,529	-	(1,009,268)
Transactions with owners, directly in equity					
Options Issued during the period	-	-	-	353,391	353,391
Share application	32,500	-	-	-	32,500
Transaction costs	(202,390)	-	-	-	(202,390)
Balance at 31 December 2021	10,381,114	(6,740,996)	167,550	1,053,754	4,861,422

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 2021

	Note	31 Dec 2021 \$	31 Dec 2020 \$
<i>Cash flows from operating activities</i>			
Payments to suppliers and employees		(878,895)	(881,217)
Interests/other income received		-	14,035
Interests and other charges paid		(2,181)	(10,155)
Net cash outflows from operating activities		(881,076)	(877,337)
<i>Cash flows from investing activities</i>			
Payments for Alpine reclamation bond		-	(81,753)
Payments for exploration and evaluation activity		(797,665)	(786,363)
Payments for property, plant and equipment		(68,630)	(4,806)
Net cash (used in)/provided by investing activities		(866,295)	(872,922)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares		-	2,200,000
Fundraising Costs		(46,200)	(217,605)
Net cash provided by financing activities		(46,200)	1,982,395
Net increase (decrease) in cash held		(1,793,571)	232,136
Cash and cash equivalents at beginning of the period		2,519,259	1,344,249
Cash and cash equivalents at the end of the period		725,688	1,576,385

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 2021

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 2021 annual financial report for the financial year ended 30 June 2021, 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 2021**Impact of COVID-19**

As previously disclosed, the Group is continuing with the design of the proposed upgrade for the Chimu gold processing plant in Peru, after work was previously delayed due to COVID-19 and related restriction. Despite this, the Group has upgraded the beneficiation operation license for the Chimu Plant from 40 tonnes per day to 340 tonnes per day. 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 2021.

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 \$1,090,797(2020: \$669,401) and net operating cash outflow of \$881,076 (2020: \$877,337). As at 31 December 2021, the Group's cash and cash equivalents decreased to \$725,688 (2020: \$1,576,385) and had a working capital deficit of \$167,145.

The directors have prepared a cash flow forecast, which 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.

On 11 March 2022, the Company finalised a capital raising of \$1.5million through a placement at a price of \$0.005 per share. Investors in the Placement will receive one free attaching option for every two shares subscribed in the Placement, with each option having an exercise price of \$0.01 and expiry date of three years from the date of issue. Brokers who supported the Placement will be issued with 60 million options on the same terms as the Placement options, subject to shareholder approval (Note 14: Events Subsequent to Reporting Date).

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**Other Income**

Other income

31 Dec 2021	31 Dec 2020
\$	\$
-	13,340
-	13,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**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 2021	Australia	Peru	USA	Total
Revenue	\$	\$	\$	\$
Total revenue	-	-	-	-
Depreciation & amortisation expense	(808)	(92)	-	(900)
Finance costs	(632)	(1549)	-	(2,181)
Development expenses	-	(304,757)	-	(304,757)
Net foreign exchange gain(loss)	-	(31,090)	-	(31,090)
Other expenses	(751,821)	(48)	-	(751,869)
Total expenses	(753,261)	(337,536)	-	(1,090,797)
Segment loss	(753,261)	(337,536)	-	(1,090,797)
31 December 2021				
Segment assets	3,555,402	806,179	1,482,970	5,844,551
Segment liabilities	(636,684)	(106,771)	(239,674)	(983,129)
Additions to non-current assets				
Exploration & evaluation assets	240,265	-	451,312	691,577
Plant & equipment	73,436	-	-	73,436
Tax credits	-	32,942	-	32,942
Crown Project	146,004	-	-	146,004
Total additions to non-current assets	459,705	32,942	451,312	943,959
31 December 2020				
Revenue				
Other income	13,340	-	-	13,340
Total revenue	13,340	-	-	13,340
Depreciation & amortisation expense	(317)	(105)	-	(422)
Finance costs	(530)	(1,017)	-	(1,547)
Development expenses	-	(130,330)	-	(130,330)
Net foreign exchange gain(loss)	-	(20,760)	-	(20,760)
Other expenses	(529,682)	-	-	(529,682)
Total expenses	(530,529)	(152,212)	-	(682,741)
Segment loss	(517,189)	(152,212)	-	(669,401)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**NOTE 3 SEGMENTAL REPORTING CONTINUED...**

30 June 2021	Australia	Peru	USA	Total
	\$	\$	\$	\$
Segment assets	4,185,938	668,196	1,853,304	6,707,438
Segment liabilities	(934,700)	(85,550)	-	(1,020,250)
Additions to non-current assets				
Exploration & evaluation assets	2,307,431	2,220	1,011,196	3,320,847
Plant & equipment	4,806	-	-	4,806
Tax credits	-	(11,157)	-	(11,157)
Crown Project	558,367	-	-	558,367
Alpine Reclamation Bond	-	-	80,394	80,394
Total additions to non-current assets	2,870,604	8,937	1,091,590	3,953,257

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

Cash at bank

Petty Cash

31 Dec 2021	30 Jun 2021
\$	\$
725,203	2,519,092
485	167
725,688	2,519,259

NOTE 5 TRADE AND OTHER RECEIVABLES*Current*

GST receivable

Other receivables

31 Dec 2021	30 Jun 2021
\$	\$
33,529	88,447
33,671	19,756
67,200	108,203

NOTE 6 OTHER ASSETS*Current*

Prepayments

31 Dec 2021	30 Jun 2021
\$	\$
23,096	50,810
23,096	50,810

Non-Current

Tax Credits

Alpine Reclamation Bond

121,295	87,676
83,297	80,394
204,592	168,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**NOTE 7 PLANT AND EQUIPMENT***Current*

	31 Dec 2021 \$	30 Jun 2021 \$
Balance at the beginning of the period	565,623	634,569
Additions during the period	73,436	4,806
Depreciation	(900)	(1,308)
Foreign currency effect	12,507	(72,444)
Balance at the end of period	650,666	565,623

The Group is continuing with the design of the proposed upgrade for the Chimu gold processing plant in Peru, after work was previously delayed due to COVID-19 and related restriction. Despite this, the Group has upgraded the beneficiation operation license for the Chimu Plant from 40 tonnes per day to 340 tonnes per day. 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 2021

NOTE 8 EXPLORATION AND EVALUATION COSTS*Non-Current*

Costs carried forward in respect of areas of interest in:

- Exploration and evaluation phases	4,156,156	3,287,462
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Movement on Exploration and Evaluation Costs

Balance at beginning of period	3,287,462	65,224
Acquisition of exploration assets	837,581	1,879,790
Acquisition of Crown Project	-	105,000
Milestone consideration for the granting of Crown Project Tenement	-	378,000
Acquisition of Alpine Project	-	150,000
Option fee capitalised on acquisition of Alpine Project	-	760,839
Foreign currency translation movement	31,113	(51,391)
Balance at end of period	4,156,156	3,287,462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**NOTE 9 RIGHTS OF USE ASSETS**

Leased office building
Accumulated Depreciation

31 Dec 2021	30 Jun 2021
\$	\$
49,018	31,865
(31,865)	(23,854)
17,153	8,011

Movement in carrying amounts:*Lease office building*

Balance as at 30 June 2021
Recognised on initial application of AASB 16
Addition to right-of-use assets
Depreciation capitalised in exploration and evaluation costs
Net Carrying amount

8,011	23,899
-	-
17,153	-
(8,011)	(15,888)
17,153	8,011

The statement of Profit and Loss shows the following amounts relating to leases:

Depreciation charged related to rights-of-use assets
Interest expense on lease liabilities
Short-term leases expense
Low-value asset leases expense

-	-
-	-
-	-
-	-
17,153	8,011

NOTE 10 TRADE AND OTHER PAYABLES*Current*

Trade payables
Accruals
Employment related payables
Payable to a shareholder/director
Others

31 Dec 2021	30 Jun 2021
\$	\$
308,888	594,665
370,778	79,826
30,048	41,509
47,543	47,543
14,579	46,461
771,836	810,004

NOTE 11 PROVISIONS*Current*

Employee entitlements
Deferred payments

31 Dec 2021	30 Jun 2021
\$	\$
26,327	34,886
167,813	166,527
194,140	201,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**NOTE 12 LEASE LIABILITY**

Gross lease liabilities – minimum lease payments:

Less than one year

Future finance charges on leases

The present value of lease liabilities classified as:

Current

31 Dec 2021	30 Jun 2021
\$	\$
18,288	9,144
18,288	9,144
(1,135)	(312)
17,153	8,832
17,153	8,832
17,153	8,832

NOTE 13 ISSUED CAPITAL**a. Ordinary shares**

Balance at beginning of reporting period

Conversion of Incentive and Deferred rights

Shares issue to employees

Transaction costs in relation to share issues

Balance at end of reporting period

No of Shares	Total \$
1,823,550,440	10,551,004
28,514,284	-
2,500,000	32,500
-	(202,390)
1,854,564,724	10,381,114
No of Options	Total \$

b. Options

Balance at beginning of reporting period

OARO Options expired on 31 December 2021

OAROC Options expired on 30 November 2021

OARAG Options issued to Broker

Conversion of Incentive and Deferred rights

Incentive and Deferred rights amortisation

Balance at end of reporting period

916,629,198	700,363
(546,367,293)	-
(121,261,905)	-
40,000,000	198,367
(28,800,000)	-
-	155,024
260,200,000	1,053,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 14 EVENTS SUBSEQUENT TO REPORTING DATE

The Company announced the appointment of Mr Justin Richard as CEO and Managing Director and Mr Anthony Greenaway as Non-Executive Director on 1 February 2022. It was also announced that Mr Joseph van den Elsen has resigned from his position as Non-Executive Director.

On 10 February 2022, the Company entered into a definitive and binding Tenement Sale Agreement for the sale of its non-core Bramfield Iron Ore Project in South Australia to The Hoa Phat Group for an all-cash consideration of \$500,000.

On 11 March 2022, the Company finalised a share placement to raise \$1.5million at a price of \$0.005 per share. Investors in the Placement will receive one free attaching option for every two shares subscribed in the Placement, with each option having an exercise price of \$0.01 and expiry date of three years from the date of issue. Brokers who supported the Placement will be issued with 60 million options on the same terms as the Placement options, subject to shareholder approval.

NOTE 15 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 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:

- At the Company election to either issue 80,000,000 fully paid ordinary shares in OAR by 31 August 2022 (Deferred Consideration Shares) or facilitate the transfer of the gold projects back to the Vendor.
- 80,000,000 fully paid ordinary shares in the Company on the announcement of the first 500,000 ounces of gold or gold equivalent JORC Code compliant resource on any of the Alpine gold projects.
- 175,000,000 fully paid ordinary share in the Company on the announcement on a second 500,000 ounces of gold or gold equivalent JORC Code compliant resource on any of the Alpine gold projects.

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 2021 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
Executive Chairman

Perth, 16 March 2022

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

HALL CHADWICK 

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 report of OAR 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:

- 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.


Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682


Michael Hillgrove
Director

Dated this 16th day of March 2022
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 2021, 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 2021 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.

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, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 31 December 2021 and its consolidated financial 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 the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

INDEPENDENT AUDITOR'S REPORT (CONT'D)



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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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
Director

Dated this 16th day of March 2022
Perth, Western Australia