ASX ANNOUNCEMENT

15 February 2023

TEST WORK RESULTS HIGHLIGHT BATTERY POTENTIAL FOR OAKDALE GRAPHITE PROJECT

Targeting resource update following pending infill and expansion drill program

HIGHLIGHTS

- **Ongoing metallurgical test work on historic drill core identifies ultra-fine flake graphite, in demand for battery applications.**
- **Permits in place for extensive 5,000m aircore drill program, planned to expand existing JORC Mineral Resource Estimate and provide fresh samples for ongoing test work.**
- **Located on South Australia's Eyre Peninsula, in proximity to multiple active graphite projects.**

Oar Resources Limited (ASX: OAR) (**"OAR"** or **"the Company"**) is pleased to provide an update on the results of preliminary metallurgical test work undertaken on historic drill core from the Company's 100 per cent-owned Oakdale Graphite Project on the Eyre Peninsula, South Australia.

The test work has identified ultra-fine flake graphite, which is in demand and seeing price growth due to its suitability for production of spherical graphite used in battery manufacturing. Previous test work carried out on both the primary and oxide ores at Oakdale was undertaken on the premise of identifying the coarsest possible grind, which historically attracted higher prices.

The global growth in demand for battery minerals has provided the Company with an opportunity to recommence work on the project with a renewed focus on the fine sized graphite.

According to Benchmark Mineral Intelligence, prices for fine flake graphite increased 44.5 per cent from US$500/ton in January 2021 to $723/t in May 2022. The research group predicts a 650 per cent increase in demand for natural graphite between 2022 and 2035 to cater for the ongoing growth in the global EV market.

Spherical graphite, also known as battery-grade graphite, is the product that is consumed as an anode in lithium-ion batteries. It is manufactured by processing high-grade flake graphite concentrate to an ultra-high purity product of more than 99.95 per cent carbon content. The resulting particle sizes need to be in the range of 10 to 25 microns for use as a battery anode material.

Initial early-stage sighter test work has achieved encouraging TGC grades of 89.1 per cent total graphitic carbon (TGC) with further flowsheet optimisation test work aimed at increasing the TGC grade to more than 95 per cent TGC where it is suitable for refining into battery anode material (BAM).

There was a significant portion (up to 58.9 per cent) of ultrafine material, at less than 20 microns, in the sighter test work beneficiated concentrate.

OAR believes in conjunction with Independent Metallurgical Operations (IMO) that further test work can increase the final concentrate grade to greater than 95 per cent to ensure it is suitable for refining into BAM.

OAR sees the below steps as critical for developing a path towards confirming the potential of the Oakdale Graphite Project for use as BAM:

- Conduct beneficiation flowsheet development test work aimed at generating a >95% TGC final concentrate.
- Generate a bulk beneficiation concentrate (>5kg) for downstream test work.
- Conduct downstream spheroinisation and refinery test work, preferably using non-hydrofluoric acid methods, to generate a final concentrate grade of >99.95% TGC.
- Conduct electrochemical test work to confirm the final refined concentrate is suitable as BAM.
- Conduct further work required to generate information for a study (scoping or pre-feasibility) followed by engaging suitable service providers to generate the study.

Oar Resources Chief Executive Officer Paul Stephen said:

"This is a great opportunity to pivot the focus of this project as OAR pursues its strategy of becoming a battery minerals exploration and development company.

"The Company has already established that the oxidised soft graphitic clays within the existing Resource may be amenable to being cheaply and readily mined within a shallow open pit without drilling and blasting.

"We are excited to commence an additional infill and extension drill campaign with a view to developing a low-cost operation focused on the growing spherical graphite market."

Oakdale Graphite Project Location

Located on the western side of the Eyre Peninsula in South Australia, the Oakdale Graphite Project is in proximity to several other well-known lithium projects held be ASX-listed companies.

Table 1 shows the market capitalisation of key projects in the area, with Figure 1 indicating the locations in reference to OAR's Oakdale tenements.

Table 1: Key ASX-listed graphite companies active in the area

Name	ASX	Market Capital
Lincoln Minerals Limited	LML	32.03
Itech Minerals Limited	ITM	39.7
Oar Resources Limited	OAR	10.89
Renascor Resources Limited	RNU	647.5
Quantum Graphite Limited	QGL	187.7

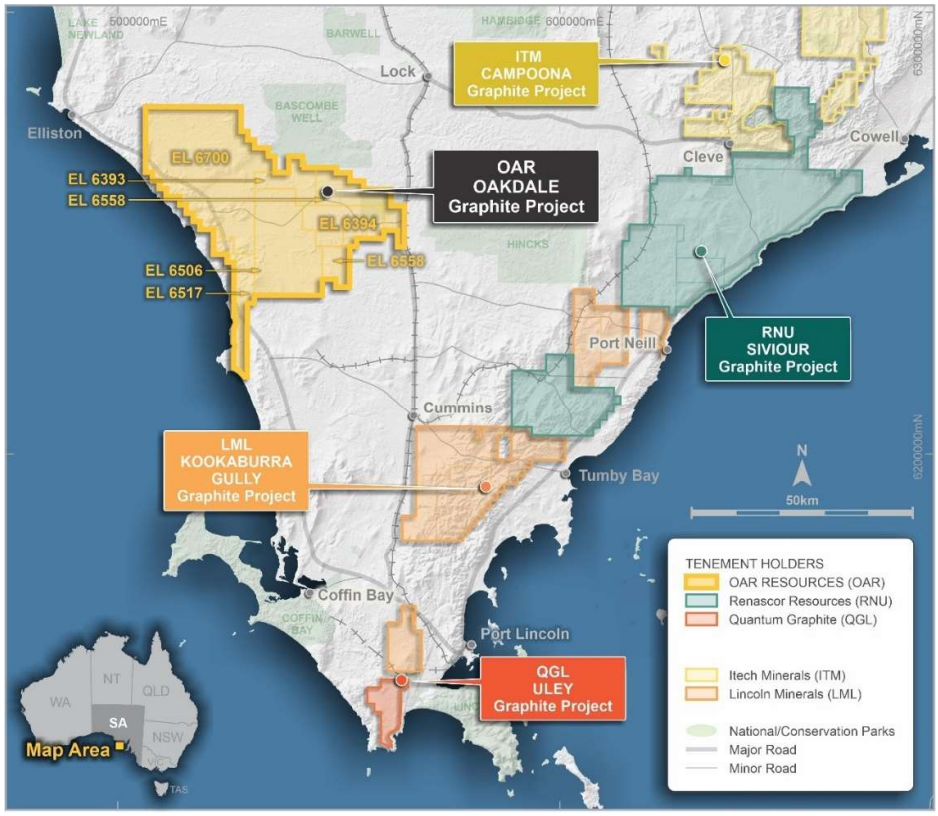

Figure 1: Location of Oakdale Graphite Project and other key graphite projects on the Eyre Peninsula

Graphite Resource Expansion Drilling

The Oakdale Graphite Project is listed as a Critical Minerals Project by the Federal Government[1] and has been subject to extensive previous exploration by OAR, culminating in the definition of an initial Combined JORC 2012 Indicated and Inferred Mineral Resource Estimate (MRE) of **13.47Mt @ 3.3% TGC** including **6.31Mt @ 4.7% TGC** (refer to Appendix 1), and a Scoping Study[2].

The Company plans to undertake a new, extensive 5,000m aircore drilling campaign, with the aim of expanding the existing MRE which remains open along strike and at depth, and to provide addition fresh samples for the next stage of test work.

The Company has received Program for Environment Protection and Rehabilitation (PEPR) approval from the Department of Energy and Mining of South Australia and has engaged the landholders in the Project area in preparation for the planned drilling program at Oakdale.

OAR's previous drilling at the Project totalled 330 aircore and 11 diamond drill holes over a combined 19,124 metres[3]. New drill targets at the main Oakdale Prospect and the Oakdale East Prospect are indicated in Figures 2 and 3 below.

[1] Refer to "Critical Mineral Projects in Australia 2020" report prepared by Commonwealth of Australia represented by the Australian Trade and Investment Commission (Austrade), Geoscience Australia and the Department of Industry, Science, Energy and Resources
[2] Refer to ASX announcements dated 27 October 2015 and 2 December 2015 for full details and associated JORC tables
[3] Refer ASX announcement dated 2 December 2015

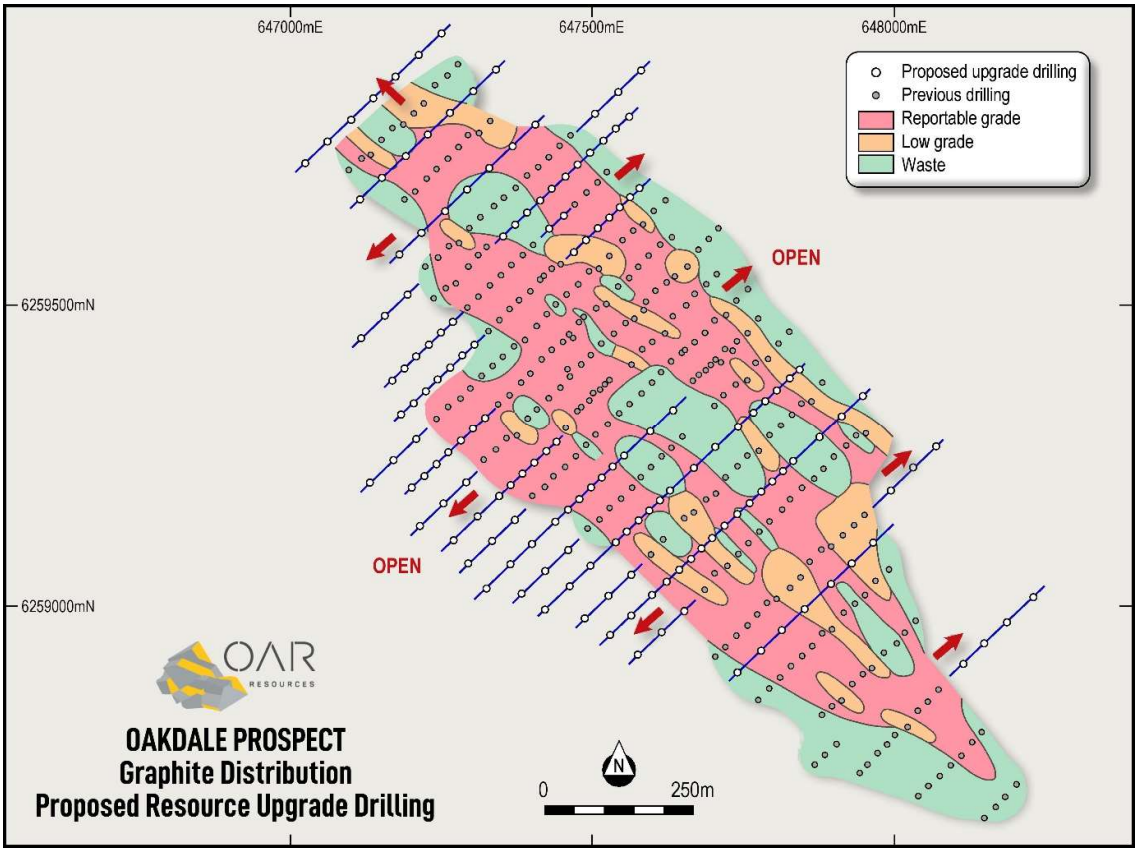

Figure 1: Oakdale Prospect drill targets as part of the proposed Resource upgrade

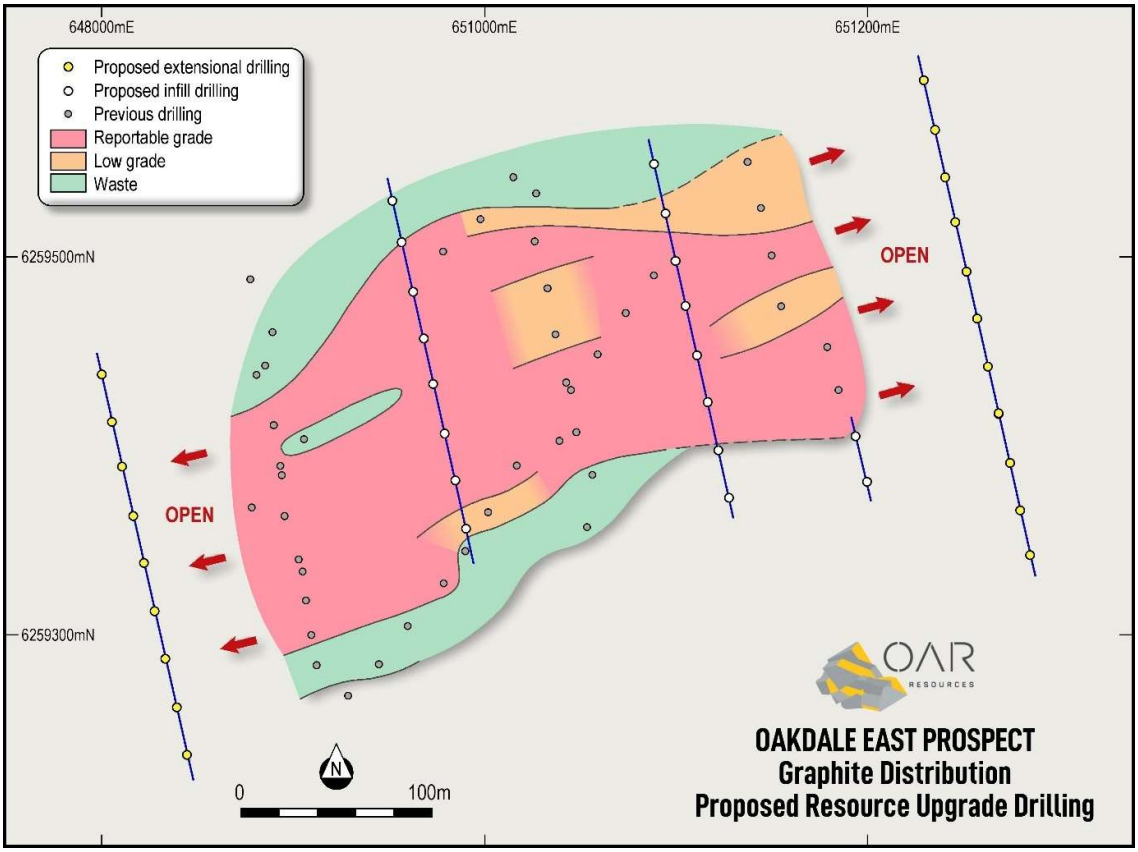

Figure 3: Oakdale East Prospect drill targets as part of the proposed Resource upgrade

--ends--

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

For further information please contact:

Paul Stephen	Simon Shepherdson
CEO	Media - Spoke Corporate
Oar Resources Limited	simon@spokecorporate.com
P: +61 8 6117 4797	P: +61 413 809 404

About Oar Resources Limited

Oar Resources Limited (ASX: OAR) is an exploration and development company focused on building and developing a portfolio of fully-owned battery and critical minerals assets. Current assets include the Denchi Lithium Project in the Northern Goldfields of Western Australia, hosting prospective outcropping pegmatites in proximity to Liontown Resources' high-grade Kathleen Valley Lithium Project. The Company is progressing exploration to identify drill targets at the Denchi Project, with a view to declaring a maiden resource as soon as possible.

OAR also holds graphite and other critical mineral tenements on South Australia's Eyre Peninsula.

In addition, OAR holds a range of precious mineral assets including the Crown Nickel-Copper-PGE Project in the Julimar district of Western Australia, near Chalice Mining's world-class Julimar discovery, and a portfolio of 100%-owned gold exploration projects in the highly prospective gold province of Nevada, United States, which hosts several multi-million-ounce deposits. Oar subsidiary Ozinca Peru SAC owns a recently upgraded gold lixiviation plant located close to thousands of small gold mining operations in Southern Peru.

Forward Looking Statement

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Oar Resources Ltd's current expectations, estimates and assumptions about the industry in which Oar Resources Ltd operates, and beliefs and assumptions regarding Oar Resources Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Oar Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Oar Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

Competent Person's Statement

The information in this ASX Announcement for Oar Resources Limited was compiled by Mr Ross Cameron, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cameron is an employee of Oar Resources Limited. Mr Cameron has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity to which he is undertaking to qualify as a "Competent Person" as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Cameron consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All references to original source information are included as footnote and endnote references as indicated throughout the presentation where required.

The information in this document that relates to metallurgical test work is based on, and fairly represents, information and supporting documentation reviewed by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who has been engaged by Oar Resources Ltd to provide metallurgical consulting services. Mr Adamini has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.

APPENDIX 1

Table 2: Indicated and inferred mineral resource table for Oakdale Graphite Project[4]

	Category	TGC	Mt (Dry)	TGC Cutoff %
Oakdale	Indicated	3.6	4.67	0
	Inferred	3.1	7.18	0
Oakdale East	Inferred	3.2	1.63	0
Total		**3.3**	**13.47**	**0**
Of which, high grade areas:				
Oakdale	Indicated	4.7	2.69	3
	Inferred	4.6	2.96	3
Oakdale East	Inferred	5.1	0.67	3
Total		**4.7**	**6.31**	**3**

[4] Refer to ASX Announcement dated 2 December 2015