AKORA Resources Limited

ACN 139 847 555

Half Year Report
30 June 2023

Directors

MH Stirzaker	Non-Executive Chairman
PG Bibby	Managing Director and Chief Executive Officer
MD Gill	Non-Executive Director (appointed 2 August 2023)
JM Madden	Executive Director and Company Secretary

Company Secretary
JM Madden

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The directors present their report, together with the financial statements of AKORA Resources Limited (ACN 139 847 555) (hereafter referred to as the "Company"), for the half-year ended 30 June 2023.

Principal Activities
The principal activities of the Company during the half-year were exploration for iron ore in Madagascar. The Company holds 100% equity in two Malagasy entities; Iron Ore Corporation of Madagascar sarl (IOCM) and Universal Exploration Madagascar sarl (UEM). IOCM holds the Bekisopa iron ore tenements and UEM holds the Tratramarina iron ore tenements. In addition, the Company has earned a 100% equity interest in the commodities discovered at the Ambodilafa tenements pursuant to the Jubilee/AKORA Ambodilafa Farm-in Agreement. The Company focused on advancing the Bekisopa iron tenements during the first-half of the financial year.

Operating Results, Review of Operations for the Year and Significant Changes in State of Affairs
The net loss after tax is $926,517 for the half-year ended 30 June 2023 (the net loss after tax for the previous half-year was $674,184).

The Company recorded a charge during the half-year of $164,953 as a result of the accounting treatment for the cancellation of options over ordinary shares previously issued to management under AASB 2 *Share-based Payments*. Under this accounting standard the Company was required to accelerate the unamortised fair value of options (the amount referred to above) to the statement of profit or loss and other comprehensive income. The charge is a non-cash charge and has no impact on cash balances and the statement of financial position.

On 1 May 2023, the Company advised shareholders that it had undertaken a Share Placement that raised $793,000 through the issue of 4,956,250 fully paid ordinary shares at 16 cents per ordinary share with 2,478,125 accompanying free-attaching options over ordinary shares at an exercise price of 25 cents and expiry date being 25 May 2026.

The Company simultaneously announced an Entitlement and Shortfall Offers which closed on the 25 May 2023. Under the Entitlement and Shortfall Offers the Company issued 14,442,197 fully paid ordinary shares at 16 cents per fully paid ordinary share with proceeds of $2,310,751 and issued 7,221,088 free-attaching options over ordinary shares at an exercise price of 25 cents and expiry date being 25 May 2026.

The Company also announced on 25 May 2023, a Share Placement which raised $475,182 through the placement of 3,394,157 fully paid ordinary shares at 14 cents per fully paid ordinary share.

In total, the Company raised $3,578,933 and issued 22,792,604 fully paid ordinary shares and 9,699,213 options over ordinary shares at an exercise price of 25 cents per option over ordinary share with an expiry date of 25 May 2026.

The total number of shares on issue following the capital raising is 94,982,814 fully paid ordinary shares.

Activities during the first-half of the financial year
Strategic direction
The board of directors continue to pursue a strategic direction that will result in the Company developing a DSO project at Bekisopa whilst undertaking exploration at all Malagasy tenements.

At this time, the board of directors believe there is potential for three products at Bekisopa. By selectively targeting the high-grade outcropping and high-grade weathered material using conventional shovel and truck operations, lump and fines products could be produced as direct shipping ore (DSO). (DSO refers to the fact that apart from simple mechanical processes such as crushing, screening, and blending, the iron ore is shipped in essentially the same form as that extracted from the ground with potential significant capital and operating cost advantages.) Although this DSO tonnage represents a small portion of the Mineral Resource, if achievable, the DSO tonne is clearly the best and fastest strategy to cash flows.

The second and third products from Bekisopa are likely to be high-grade iron concentrates - fines and/or high-grade iron concentrate from the Mineral Resource making the second and third products.)

The production of high-grade fines will require crushing fresh iron ore to a relatively coarse 75 microns to produce a premium-grade 67% or better iron concentrate. This concentrate would be an optimal feedstock for the production of Direct Reduced Iron (DRI) pellets. DRI is produced by the removal (reduction) of oxygen from iron ore using natural gas as the reducing agent instead of coal. Increased use of DRI is one of the key decarbonisation strategies of the global steel industry.

Accordingly, during the first-half of the financial year, the Company:

<u>*Bekisopa sampling and assaying*</u>
The Company received the final assays for the 2022 DSO infill drilling campaign (*see* ASX Announcement on 22 March 2023).

In total, the Company completed 1,166.4 metres during the fourth quarter of 2022 on a 50 metre by 50 metre grid.

The drilling campaign involved 86 close-spaced drill holes which equated to 1,262 intervals for assaying, including QA/QC standards, blanks, and duplicates. The drill core intervals from across the eastern and western area of the Southern Zone, where high-grade iron mineralisation had previously been intersected during the 2020/2021 drilling campaigns.

This outcome represents only ~12% of the known 6-kilometer strike length.

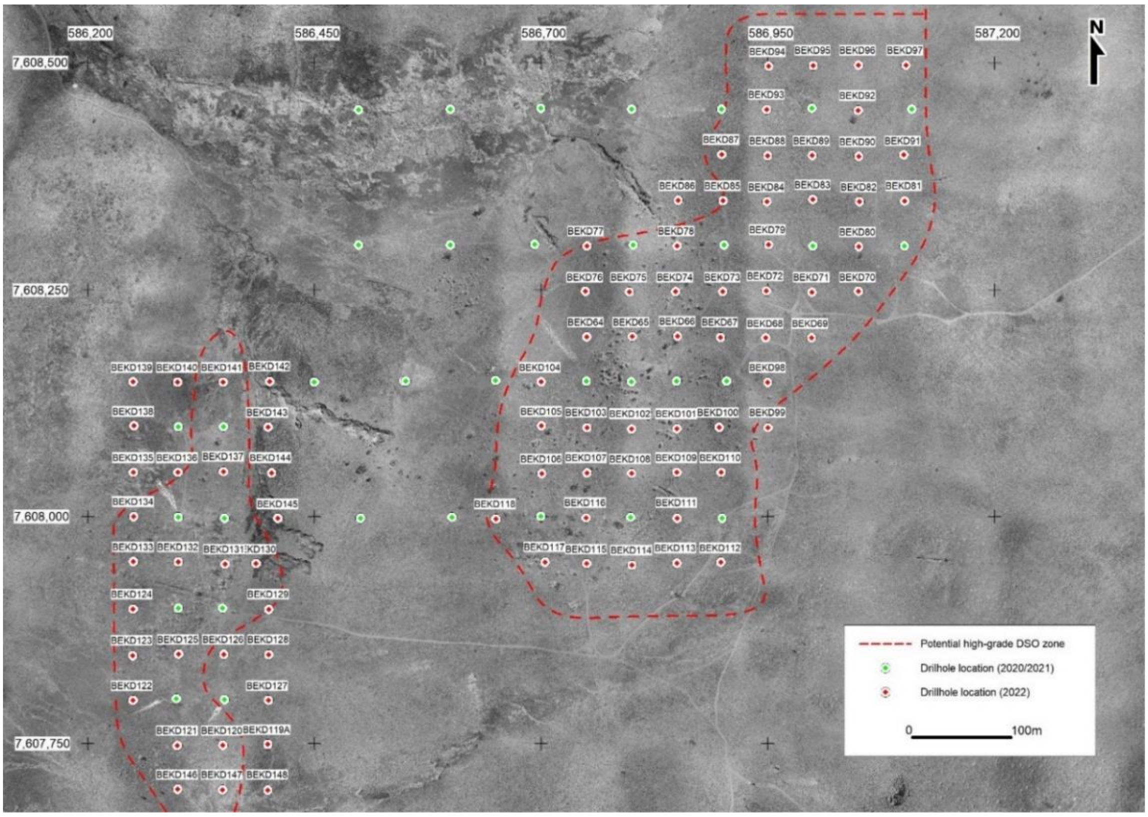


Figure 1
Bekisopa 2022 DSO infill drill hole locations on the eastern and western sides of the Southern Zone

H&S Consulting had previously stated there was a potential for a DSO Mineral Resource in the Southern Zone (*see* ASX Announcements dated 23 March 2022 and 11 April 2022) within the 110.2 million tonne Inferred Resource.

WAI determined that within the 110.2 million tonne Inferred Resource identified by H&S Consulting, there is 5.5 million tonnes of Inferred and Indicated Resource at DSO grades. Further, WAI concluded that below the DSO mineralisation it had identified the potential for green steel mineralisation of 34 million tonnes. (Green steel mineralisation represents fresh rock capable of producing high-grade concentrate – average iron ore grades of 45.3% Fe with Davis Test Tube recoveries at 58% at 75 microns producing 68.7% iron concentrate).

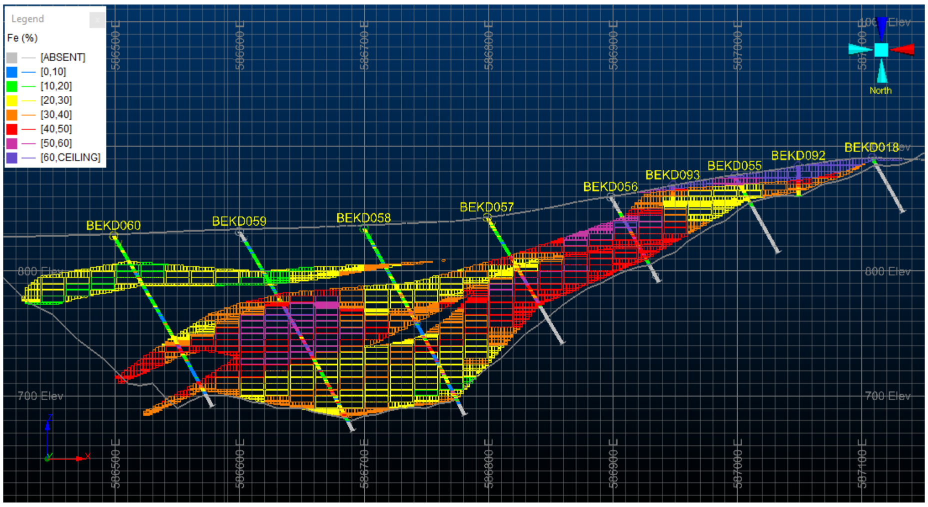


Figure 2
Very high-grade green steel area, averaging 45.3% iron suitable for upgrading to a DRI 68.8% iron concentrate for the Green Steel future.

The remaining Mineral Resource (the H&S Consulting 110.2 million tonnes less the DSO Inferred and Indicated Resource and the green steel mineralisation) will also be capable of producing a high-grade concentrate.

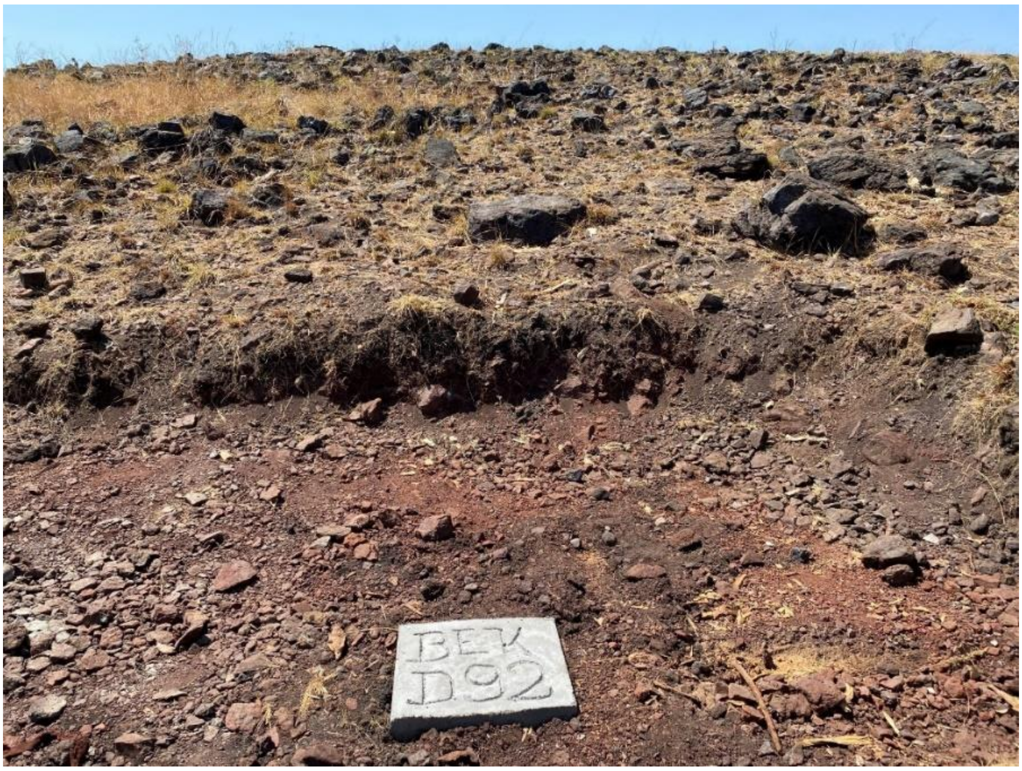


Figure 3
2022 DSO infill drill pad of drill hole BEKD092 showing outcropping iron mineralisation

Figure 4
Drill core from drill hole BEKD092
High-grade DSO lump and fines iron ore product grading 66% Fe, from surface to 11.2 metres

Replacement Mining Code
On 7 June 2023 the replacement Mining Code was approved by the Malagasy Legislature.

The replacement Mining Code was ruled by the High Constitutional Court to be consistent with the Constitution on 25 July 2023 and was promulgated by the President on 27 July 2023. The replacement Mining Code has not been gazetted as at the date of this report and the Implementation Rules are being drafted.

The replacement Mining Code, along with the Implementation Rules, will provide the mechanism to enable the *Bureau du Cadastre Minier du Madagascar* (BCMM) to commence processing tenement renewals and tenement transformations as well as new applications. The replacement Mining Code has taken some years to be revised and as a result, the development of the Implementation Rules will require time to draft and approve and the significant backlog of tenement renewals and transformations to be processed may also impact the issuance of tenements.

The Company has ensured throughout the period the BCMM did not process tenement renewals and transformations that all annual administration fees were paid. Accordingly, all the tenements held by the Company are in good standing which the government has determined to be a precondition for the process of renewals.

The Extractive Industries Transparency Initiative (EITI) in Madagascar has also been upgraded under the technical supervision of the Ministry of Mines and Strategic Resources and financial supervision of the Ministry of Economics and Finance to ensure that Malagasy EITI meets global standards, improved transparency and accountability in the mining sector.

The Company holds twelve tenements. It has ensured throughout the period the BCMM did not process tenement renewals and transformations that all annual administration fees were paid. Accordingly, all the tenements held by the Company are in good standing which the government has determined to be a precondition for the process of renewals. AKORA has three *Permis Reservés aux Petits Exploitants* (PRE), including PRE 3757, an extension to the main strike at Bekisopa tenement *Permis du Recherche* (PR) 10430, subject to issuance of transformation approval to be issued as PR and nine PR, including PR 10430 subject to issuance of renewals.

Proposed work for second-half of the financial year

The Company has commenced a 65-hole in-fill drilling programme at the Northern and Central Zones with the goal of replicating DSO mineralisation and potential for green steel mineralisation by the end of the second-half of the financial year.

The Company proposes to conduct laboratory-based density studies for specific iron grades in the DSO mineralisation within the Southern Zone. The board of directors believes there is potential to increase the DSO Mineral Resource tonnage. Pure hematite (69.9% Fe) and magnetite (72.4% Fe) are 5.3 tonnes per cubic metre and 5.2 tonnes per cubic metre. Density for iron mineralisation grading between 58% Fe and 68% Fe should be 4 tonnes per cubic metre to 5 tonnes per cubic metre for competent unweathered rock. These densities are considerably higher than those used by WAI for the determination of the DSO Inferred and Indicated Mineral Resource. Field-based techniques are producing lower than expected density results.

The Company has retained geophysical consultants to conduct an aero-magnetic survey of all its exploration ground in Madagascar – Ambodilafa, Bekisopa (including the Satrokala area) and Tratramarina – during the dry, clean sky months available until November.

The Company has also retained WAI to undertake more detail infrastructure studies for the delivery of direct ship ore to port facilities as well as power and port infrastructure requirements.

Consultants have been retained to conduct a preliminary community and environmental consultation and benchmarking study.

Options over ordinary shares

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

Award date	Maturity	Exercise Price	Options Number
4 May 2023	25 May 2026	$0.2500	2,478,125
25 May 2023	25 May 2026	$0.2500	7,221,088
			9,699,213

Events After Balance Date

Following the completion of the half-year, the Company released on 11 July 2023 a revised Mineral Resource Estimate for the Southern Zone of the Bekisopa project.

The replacement Mining Code was ruled by the High Constitutional Court to be consistent with the Constitution on 25 July 2023 and was promulgated by the President on 27 July 2023.

On 2 August 2023, the Company announced the appointment of MR MD Gill as a non-executive director.

Environmental Issues

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

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

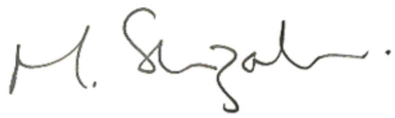
MH Stirzaker (Non-executive Chairman), appointed 22 August 2020
PG Bibby (Managing Director), appointed 9 July 2015
MD Gill Non-executive Director), appointed 2 August 2023
JM Madden (Executive Director and Company Secretary), appointed 6 October 2009

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

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

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

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



MH Stirzaker
Chairman

Dated this 23 August 2023

To the Board of Directors

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

As lead audit Director for the review of the financial statements of Akora Resources Limited for the half year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated this 23rd day of August 2023
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Note	Half-Year 30 June 2023 $	30 June 2022 $
Total revenue and other income		**448**	24
Expenditure			
Administration costs		**(55,726)**	(28,748)
Contractors and consultants		**(238,764)**	(181,518)
Depreciation		**-**	(4,812)
Employee costs		**(163,019)**	(212,489)
Exchange fluctuation		**-**	(6,255)
Investor relations		**(153,688)**	(56,431)
Provisions		**(12,893)**	(16,921)
Secretarial costs		**(89,461)**	(39,350)
Share-based payments	**8**	**(164,953)**	(48,536)
Travel		**(48,191)**	(75,939)
Other		**(270)**	(3,209)
Total expenditure		**(926,965)**	(674,208)
Profit/(loss) before tax for the half-year		**(926,517)**	(674,184)
Income tax (expense)/benefit		**-**	-
Net profit/(loss) after tax for the half-year		**(926,517)**	(674,184)
Items that have been or may be subsequently reclassified to profit or loss			
Translation reserve		**(323,730)**	(321,276)
Other movement		**(1,000)**	-
		(324,730)	(321,276)
Total comprehensive income/(loss) for the half-year		**(1,251,247)**	(995,460)
Loss per share	**3**		
Basic earnings per share/cents		**(1.200)**	(1.030)
Diluted earnings per share/cents		**(1.200)**	(1.030)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2023 $	31 December 2022 $
Assets			
Current assets			
Cash and cash equivalents	**5**	**3,109,503**	721,766
Receivables		**26,899**	16,822
Other		**2,331**	2,316
Total current assets		**3,138,733**	740,904
Non-current assets			
Exploration and evaluation	**6**	**8,983,264**	8,890,924
Total non-current assets		**8,983,264**	8,890,924
Total assets		**12,121,997**	9,631,828
Liabilities			
Current liabilities			
Payables		**266,853**	121,083
Provisions		**81,028**	68,135
Total current liabilities		**347,881**	189,218
Total liabilities		**347,881**	189,218
Net assets		**11,774,116**	9,442,610
Equity			
Contributed equity	**7**	**31,602,923**	28,186,123
Reserves		**(609,131)**	(242,072)
Accumulated losses		**(19,219,676)**	(18,501,441)
Total equity		**11,774,116**	9,442,610

The accompanying notes form part of these financial statements

	Note 19 Share Capital	Note 21 Translation Reserve	Share-based Payments	Other Reserves	Note 22 Accumulated Losses	Equity Equity
	$	$	$	$	$	$
As at 31 December 2021	24,786,898	(235,723)	350,464	26,710	(17,268,367)	7,659,982
Transactions with owners in their capacity as owners of the Company						
Share issues	3,221,277	-	-	-	-	3,221,277
Equity raising costs	(204,590)	-	-	-	-	(204,590)
Exercise of options over ordinary shares	206,100	-	-	-	-	206,100
Share-based payments	-	-	48,536	-	-	48,536
	3,222,787	-	48,536	-	-	3,271,323
Net loss for the period	-	-	-	-	(674,184)	(674,184)
Other comprehensive income	-	(321,276)	-	-	-	(321,276)
Total comprehensive income	-	(321,276)	-	-	(674,184)	(995,460)
As at 30 June 2022	28,009,685	(556,999)	399,000	26,710	(17,942,551)	9,935,845
As at 31 December 2022	**28,186,123**	**(312,111)**	**43,329**	**26,710**	**(18,501,441)**	**9,442,610**
Transactions with owners in their capacity as owners of the Company						
Share issues	**3,578,933**	**-**	**-**	**-**	**-**	**3,578,933**
Equity raising costs	**(161,133)**	**-**	**-**	**-**	**-**	**(161,133)**
Share-based payments	**-**	**-**	**164,953**	**-**	**-**	**164,953**
Cancellation of share-based payments	**-**	**-**	**(208,282)**	**-**	**208,282**	**-**
	3,417,800	**-**	**(43,329)**	**-**	**208,282**	**3,582,753**
Net loss for the period	**-**	**-**	**-**	**-**	**(926,517)**	**(926,517)**
Other comprehensive income	**(1,000)**	**(323,730)**	**-**	**-**	**-**	**(324,730)**
Total comprehensive income	**(1,000)**	**(323,730)**	**-**	**-**	**(926,517)**	**(1,251,247)**
As at 30 June 2023	**31,602,923**	**(635,841)**	**-**	**26,710**	**(19,636,240)**	**11,774,116**

The accompanying notes form part of these financial statements

	Note	Half-Year 30 June 2023 $	30 June 2022 $
Cash flows from/(used) in operating activities			
Payments to employees and suppliers		**(735,051)**	(784,244)
Interest received		**448**	24
Net cash flows from/(used) in operating activities		**(734,603)**	(784,220)
Cash flows from/(used) in investing activities			
Exploration and evaluation expenditure		**(295,460)**	(1,090,768)
Property plant and equipment		**-**	-
Net cash flows from/(used) in investing activities		**(295,460)**	(1,090,768)
Cash flows from financing activities			
Exercise of options over ordinary shares		**-**	206,100
Share placement		**3,578,933**	3,221,277
Cash outlays for share placement		**(161,133)**	(180,556)
Net cash flows from/(used) in financing activities		**3,417,800**	3,246,821
Net cash flows		**2,387,737**	1,371,833
Cash and cash equivalents as at the start of the financial period		**721,766**	1,045,851
Exchange fluctuation		**-**	(6,255)
Cash and cash equivalents as at the end of the financial period	**5**	**3,109,503**	2,411,429

The accompanying notes form part of these financial statements

Note 1 Corporate information

The Financial Statements of AKORA Resources Limited (hereafter referred to as the “parent entity”) and its controlled entities comprising Malagasy Holdings (Tratramarina Pty Ltd and its controlled entity Universal Exploration Madagascar sarl) and Malagasy Holdings (Bekisopa) Pty Ltd and its controlled entity Iron Ore Corporation of Madagascar sarl) for the half-year ended 30 June 2023.

The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 August 2023.

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

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

Note 2(a) Basis of preparation and accounting policies

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company’s 2022 annual financial report for the financial year ended 31 December 2022, except for the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standard and with International Financial Reporting Standards.

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

The interim financial report was issued on 23 August 2023 by the directors of the Company.

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

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2022 and any public announcements made by Akora Resources Limited during the half-year.

Going concern
The Group recorded a net loss of $926,517 (2022: net loss of $674,184) and incurred cash outflows from operating and investing activities of $1,030,063 for the half-year ended 30 June 2023 (2022: $1,874,988). As at 30 June 2023, the Group had working capital of $2,790,852 (31 December 2022: $551,686).

The Group is committed to conducting an infill drilling campaign to enhance its DSO Resource and completing a series of scoping studies at its Bekisopa project. Expenditure on exploration is inclusive of, but not limited to, those amounts identified in Note 6. In addition, the Group will incur corporate costs associated with its on-going obligations as a listed entity on the ASX and its contractual obligations to executives.

As at 30 June 2023, the Group has sufficient funds to implement its proposed plans and extinguish obligations as and when required for the next 12-months.

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

Note 2(b) Principles of consolidation

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

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

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

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

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

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

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

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

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

Note 3 **Loss per share for the half-year**

	2023	2022
	$	$
Loss from continuing operations for the half-year	**(926,517)**	(674,184)
Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS	**77,298,580**	65,467,299
Basic and diluted loss per share (cents per share)	**(1.200)**	(1.030)

Note 4 **Segment reporting**

The Group operates solely in the mining exploration industry.

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

For the half-year ended 30 June 2023	Australia	Madagascar	Total
	$	$	$
Segment revenue	448	-	448
Segment result	(925,812)	(435)	(926,247)
Amounts not included in segment results but reviewed by the boards:			
Expenses not directly allocable to identifiable segments			
Other			(270)
Loss after income tax			(926,517)
As at 30 June 2023			
Segment assets	3,111,655	9,010,342	12,121,997
Segment liabilities	200,555	147,326	347,881
Segment asset increases for the period:			
Capital expenditure	-	416,085	416,085
Exchange fluctuation	-	(323,745)	(323,745)
Impairment of exploration assets	-	-	-
	-	92,340	92,340

For the half-year ended 30 June 2022	Australia	Madagascar	Total
	$	$	$
Segment revenue	24	-	24
Segment result	(602,039)	(14,145)	(616,184)
Amounts not included in segment results but reviewed by the boards:			
Expenses not directly allocable to identifiable segments			
Exchange fluctuation			(6,255)
Share-based payments			(48,536)
Other			(3,209)
Loss after income tax			(674,184)
As at 31 December 2022			
Segment assets	693,953	8,937,875	9,631,828
Segment liabilities	189,218	-	189,218
Segment asset increases for the period:			
Capital expenditure	-	1,732,875	1,732,875
Exchange fluctuation	-	(57,035)	(57,035)
Impairment of exploration assets	-	-	-
	-	1,675,840	1,675,840

Note 5 Cash and cash equivalents

	30 June 2023	31 December 2022
	$	$
Cash at bank	**3,109,503**	721,766

Note 6 Exploration and evaluation

	30 June 2023	31 December 2022
	$	$
At start of financial year	**8,890,924**	7,215,084
Additions	**416,085**	1,732,875
Exchange fluctuation	**(323,745)**	(57,035)
At end of financial year	**8,983,264**	8,890,924

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

Ambodilafa	**1,480,929**	1,919,496
Bekisopa	**6,806,493**	6,411,376
Tratramarina	**695,842**	560,052
	8,983,264	8,890,924

Ambodilafa Farm-in Agreement

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

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

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

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

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

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

As at 30 June 2023, the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

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

The Company has sighted BCMM approved renewals and transformation of its tenements. The documents are now awaiting ministerial seal. The Company has accrued the 2023 annual administration fees outstanding as at 30 June 2023.

Note 7 **Contributed equity**

	Number	**$**
As At 31 December 2021	**61,036,722**	**24,786,898**
Issue of shares		
Exercise of options over ordinary shares	**686,998**	**206,100**
Share placement	**10,066,490**	**3,221,277**
Equity raising costs	**-**	**(204,590)**
As At 30 June 2022	**71,790,210**	**28,009,685**
As At 31 December 2022	**72,190,210**	**28,186,123**
Share Placement (4 May 2023)	**4,956,250**	**793,000**
Entitlement & Shortfall Offers	**14,442,197**	**2,310,751**
Share Placement (25 May 2023)	**3,394,157**	**475,182**
Other movements		**(1,000)**
Equity raising costs	**-**	**(161,133)**
As At 30 June 2023	**94,982,814**	**31,602,923**

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

Each fully paid ordinary share carries one vote.

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

Note 8 **Share-based payments**

Options over ordinary shares issued to management

	30 June 2023		30 June 2022	
	Number of Options	**Weighted Average Price**	Number of Options	Weighted Average Price
Opening balance	**1,950,000**	**0.1068**	2,244,750	0.1194
Options:				
Granted	**-**	**-**	1,950,000	0.1068
Cancelled	**(1,950,000)**	**(0.1068)**	-	-
Expired	**-**	**-**	-	-
Closing balance	**-**	**-**	4,194,750	0.1135

On 17 May 2022, shareholders approved the grant of options over ordinary shares to key management. The Management Options comprise three tranches with three vesting periods 17 May 2023, 17 May 2024 and 17 May 2025 and an expiry date of 17 May 2027.

The Company recorded a charge during the half-year of $164,953 as a result of the accounting treatment for the cancellation of options over ordinary shares previously issued to management under AASB 2 *Share-based Payments*. Under this accounting standard the Company was required to accelerate the unamortised fair value of options (the amount referred to above) to the statement of profit or loss and other comprehensive income. The charge is a non-cash charge and has no impact on cash balances and the statement of financial position.

The board of directors resolved to cancel previous approved options over ordinary shares to Management and committed to having shareholders consider, and if thought fit, approve issue the Managing Director/Chief Executive Officer performance rights at the next Annual General meeting of Shareholders.

Options over ordinary shares issued under Share Placement and Entitlement/Shortfall Offers

The number of options on issue as at 30 June 2023 is 9,699,213 with an exercise price of 25 cents per option over ordinary share and an expiry date being 25 May 2026.

Note 9 **Commitments**

Exploration and evaluation expenditure commitments
Under 99-022 Mining Code (*portant Code minier*), the Group does not have any expenditure commitments on its tenements other than the annual renewal fees (*frais annuel d'administration*) which are payable to the Madagascar Mining Cadastre Bureau (*Bureau du Cadastre Minier de Madagascar*).

The annual administration fee for each tenement held by the Group, including the Ambodilafa tenements, have been accrued in the 2023 half-year statement of financial position. The annual renewal fees for Ambodilafa tenements, held by Mineral Resources of Madagascar sarl, an entity controlled by Jubilee Metals Group plc, are approximately $20,000 for the 2023. Mineral Resources of Madagascar sarl is the entity through which the Company has earned its equity interest in the Commodities discovered on the Ambodilafa tenements. The also holds reversal rights whereby it can earn up to 49% of the LME Commodities discovered on the Ambodilafa tenements through contributing to expenditure.

During 2021, the Minister for Mines and BCMM advised tenement holders that their rights will be confirmed where all annual administration fees have not fallen into arrears. The

Company has paid all its annual administration fees for previous years and therefore, is in compliance with the statements made by the government.

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

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

Under the Farm-in Agreement, the Company has earned its interest in the commodities in three stages:

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

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

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

As at 30 June 2023, the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement. In such circumstances, the Company is entitled to 100% of the mineral rights to the Commodities as defined by the above-mentioned agreement.

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

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

Note 11 **Events after balance date**

Following the completion of the half-year, the Company released on 11 July 2023 a revised Mineral Resource Estimate for the Southern Zone of the Bekisopa project.

The replacement Mining Code was ruled by the High Constitutional Court to be consistent with the Constitution on 25 July 2023 and was promulgated by the President on 27 July 2023.

On 2 August 2023, the Company announced the appointment of MR MD Gill as a non-executive director.

Note 12 **Contingent liabilities**

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

The directors declare that:

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

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, including compliance with the accounting standards and giving true and fair view of the financial position as at 30 June 2023 and its performance for the half-year then ended.

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

Signed on behalf of the Board of Directors

MH Stirzaker
Chairman

Dated this 23 August 2023

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

Conclusion

We have reviewed the accompanying half-year financial report of Akora Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

a. Giving a true and fair view of the Akora Resources Limited financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

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

Basis for Conclusion

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

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

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 23rd day of August 2023
Perth, Western Australia