

ASX Release
26 October 2021

SUPPLEMENTARY STATEMENT TO QUARTERLY REPORT

On 13 October 2021, the Australian Securities Exchange requested additional information in relation to the Company's September Quarterly Report (see ASX Announcement dated 12 October 2021). This announcement addresses the two matters raised by the ASX and has been approved by the board of directors of the Company on 18 October 2021.

Quarterly Expenditure

Pursuant to Listing Rule 5.3.4 the Company wishes to inform shareholders that expenditure for the quarter, July-September, slightly exceeded the original budget set out in the prospectus as expenditure in the June Quarter was below budget.

The use of funds as set out in the prospectus assumed that the 2021 drilling programme would have commenced in the April-June quarter (early May); however, there were delays in mobilisation due to an extended wet season which resulted in camp setup in late May and drilling getting underway in mid-June. As a result, there was more activity in the July-September quarter. Overall, the planned exploration programme is progressing as expected and expenditure is slightly ahead of budget.

The Company expects to complete the work programme set out in the prospectus earlier than initially planned with its cash balances above that disclosed in the prospectus.

AKORA RESOURCES LIMITED Sources and Uses of Funds

	Prospectus	Actual Sources/Uses	Prospectus Remaining Sources/Uses
<i>Cash balance at start of period</i>	1,203,000	1,407,820	2,520,943
<i>Sources of funds</i>			
Proceeds	5,000,000	5,000,000	
Costs of listing	-566,000	-696,912	
Exercise of options		417,521	
	<u>4,434,000</u>	<u>4,720,609</u>	<u>0</u>
Funds available	<u>5,637,000</u>	<u>6,128,429</u>	<u>2,520,943</u>
<i>Uses of funds</i>			
Exploration (direct and indirect)	-3,745,000	-2,968,592	-776,408
Tenement fees	-240,000	-125,235	-114,765
Corporate costs	-762,000	-577,879	-184,121
Exchange fluctuation		64,220	
	<u>-4,747,000</u>	<u>-3,607,486</u>	<u>-1,075,294</u>
Cash balance at end of period	<u>890,000</u>	<u>2,520,943</u>	<u>1,445,649</u>

Notes

Actual opening cash balance exceeded prospectus estimate due to timing-related settlement of corporate costs

Actual sources and uses reflect funds from 1 October 2020 (the date of the preparation of the sources and uses) and 30 September 2021

Corporate costs includes outstanding costs as at 1 October 2020 with the majority of accruals settled in January 2021

Utilisation of option exercised money reflects the use of additional \$417,000 for enlarged drilling programme

Tenements

The International Monetary Fund/World Bank Group prepared and released to key Malagasy stakeholders a report which set out proposals to reform the Mining Code during the first half of 2021. The government has not finalised its proposed amendments to the Mining Code as at this time.

Malagasy counsel has advised that the officers of the BCMM and the Ministry of Mines, are receiving and processing applications for renewal, transformation and transfer of mining permits. However, the BCMM is unable to give a precise indication of the timing for obtaining the ministerial order approving a transfer, transformation or renewal application. Otherwise, the situation in Madagascar is as it has been and stated in the Prospectus, which is that compliance with the payment obligations of *the frais d'administration minière annuels*, the annual administration fee, is sufficient to maintain the Company's permits. Having paid all permit obligations on 26 August 2021, the Company has no outstanding financial obligations under the Mining Code. Accordingly, the Company does not foresee any specific risks that may question its ownership of its permits.

As stated in the quarterly report members of Ministry of Mines visited the project area to review the exploration and community engagement during the quarter and were encouraged by the professionalism has demonstrated by the Company with its work programme and community involvement.

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