

25 January 2022

## Quarterly Activities Report - December 2021

### Key Points

- Highly experienced mining executive, Mr Andrew Ferrier appointed as Managing Director
- Announcement of acquisition of high-grade exploration assets in the Athabasca Basin, Canada
- Commencement of on-ground exploration activities at the Rattler Uranium Project, Utah
- Tallahassee Uranium Project Maiden JORC 2012 Mineral Resource of 27.6 million pounds of U<sub>3</sub>O<sub>8</sub> at 490ppm U<sub>3</sub>O<sub>8</sub>
- Planning of maiden drill programs at the Company's North American uranium projects and Enmore Gold Project
- Uranium market continues to tighten amid potential supply disruptions and higher demand outlook
- Okapi continues to be well funded with \$4.45m in cash and cash equivalents

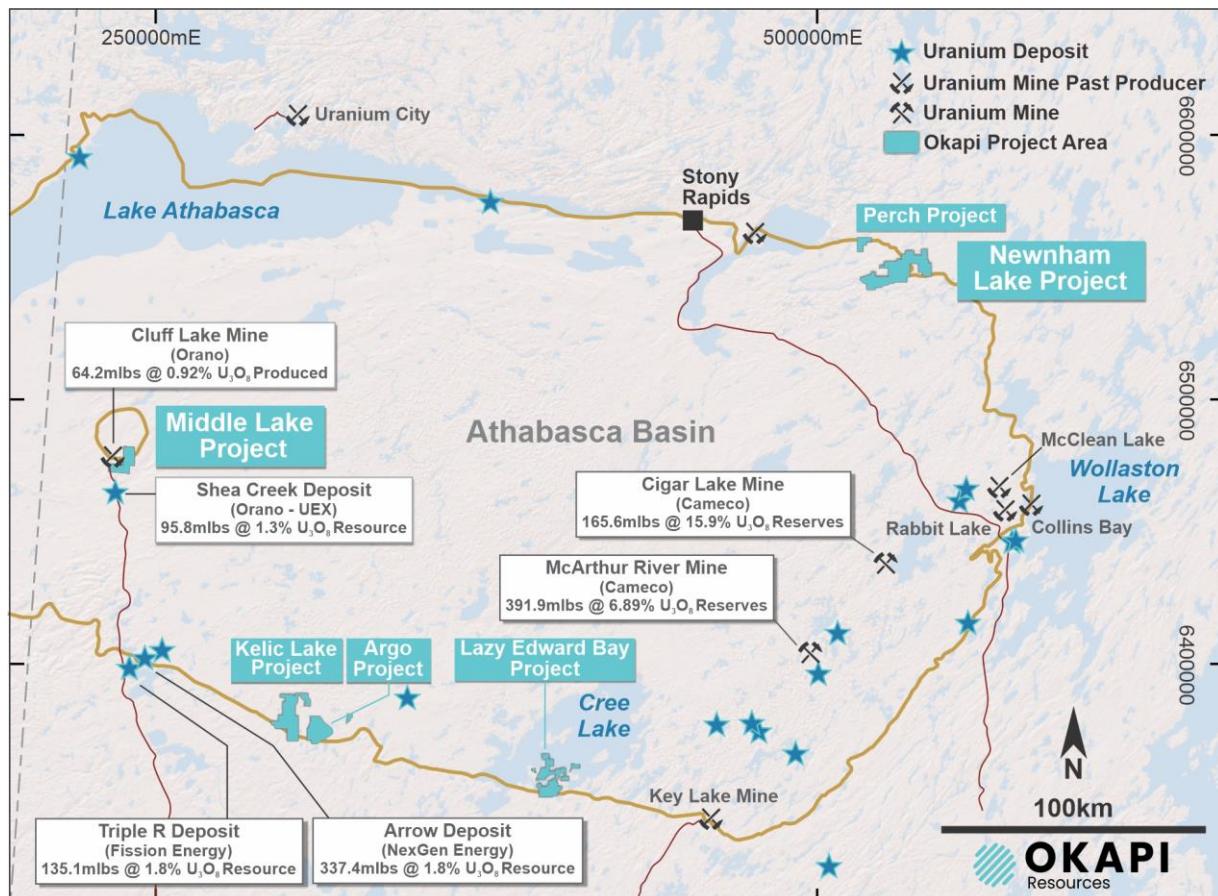
**Okapi Resources Limited** (ASX: OKR) (**Okapi** or **the Company**) is pleased to provide a quarterly development and corporate update.

### DEVELOPMENT

#### Athabasca Projects, Canada

During the quarter, the Company has entered into a binding, conditional agreement with ALX Resources Corp (TSXV:AL) (**ALX**) to acquire a portfolio of six advanced exploration projects in the Athabasca Basin (**Athabasca Projects**), the world's premier high grade uranium district.

The Athabasca properties includes six projects across 75 granted mineral claims covering approximately 55,000 hectares. Importantly, all of the projects are located along the margin of the Athabasca Basin or in the Carswell Impact Structure, the depth to the Athabasca Basin – Precambrian Basement unconformity is relatively shallow at 300 metres or less and typically closer to 100 metres, making them targets for shallow high-grade unconformity-related and basement hosted uranium deposits.



**Figure 1 – Location of Okapi's Athabasca Projects**

The Athabasca Basin is home to the world's largest and highest-grade uranium mines including Cameco's McArthur River and Cigar Lake uranium mines. A number of world-class discoveries have been made in recent years in the Athabasca Basin including the Triple R, Arrow and Hurricane discoveries.

The material terms of the Property Purchase Agreement between Okapi and the vendor, ALX, (**Acquisition Agreement**) are summarised below:

- **Acquisition:** Okapi has agreed to purchase and ALX has agreed to sell an undivided 100% legal and beneficial interest in five of the six Athabasca Projects and an 80% interest in the sixth Athabasca Project, the Middle Lake Exploration Project, for the consideration and subject to the conditions precedent set out below.
- **Consideration:**
  - pay ALX cash in the amount of A\$1,000,000;
  - issue ALX with A\$1,050,000 worth of fully paid ordinary shares in Okapi Shares calculated by way of the 10-day volume weighted average price of Shares up to the day prior to that date which is Five business days following the satisfaction or waiver of the conditions precedent; and
  - grant to ALX a 1.5% net smelter returns royalty (**NSR**) on minerals produced from certain mineral claims the subject of the acquisition that do not bear existing royalties. Okapi may

at any time acquire up to 50% of the NSR from ALX by payment to the Vendor of CAD\$1,000,000.

- **Voluntary escrow:** The Consideration Shares will be escrowed as follows:
  - 33% of the Consideration Shares shall be released six months after the Closing Date;
  - 33% of the Consideration Shares shall be released on the date that is nine months after the Closing Date;
  - 34% of the Consideration Shares shall be released on the date that is 12 months after the Closing Date.

In addition to the consideration set out above, the Company has agreed to issue Geonomik Pty Ltd (or their nominee) A\$400,000 worth of fully paid ordinary shares in Okapi (the **Fee Shares**) in consideration for finder and introduction services provided to Okapi from 14 September 2021 in relation to the acquisition of the Athabasca Projects from ALX. The value of the Fee Shares shall be calculated by use of the 10-day volume weighted average price of Shares up to the day prior to Completion. The Fee Shares will be issued to Geonomik Pty Ltd (or their nominee) who are not related parties of the Company and subject to a voluntary escrow whereby 25% of the Fee Shares are released from escrow after each of three, six, nine and twelve months from completion respectively.

Okapi's management team have been working closely alongside a highly reputable, independent technical services firm based in Saskatchewan to assist in ranking and prioritising the properties by geological prospectivity.

The data review and high priority target generation is well advanced, and Okapi will outline the exploration strategy going forward on the Athabasca properties upon closing the transaction in late January 2022.

The company will be focused-permitting drill programs on two of the six properties which include Middle Lake and Newnham Lake, which have been identified as having the best exploration potential. ALX, on behalf of Okapi has already lodged a permit to drill on the Middle Lake Project prior to closing and is in the process of submitting a drill for Newnham Lake.

The Company will also be looking to consolidate and expand its positions in the Athabasca Basin through some highly accretive acquisitions during 2022.

## Tallahassee Uranium Project, Colorado

Okapi holds a 100% interest in mineral rights that cover approximately 7,500 acres in the Tallahassee Creek Uranium District of Colorado, USA.

During the quarter, the Company announced a Maiden 2012 Mineral Resource for the Tallahassee Uranium Project estimated at **25.4Mt @ 490ppm U<sub>3</sub>O<sub>8</sub>** for **27.6 million pounds of U<sub>3</sub>O<sub>8</sub>** using a 250ppm cut-off grade.

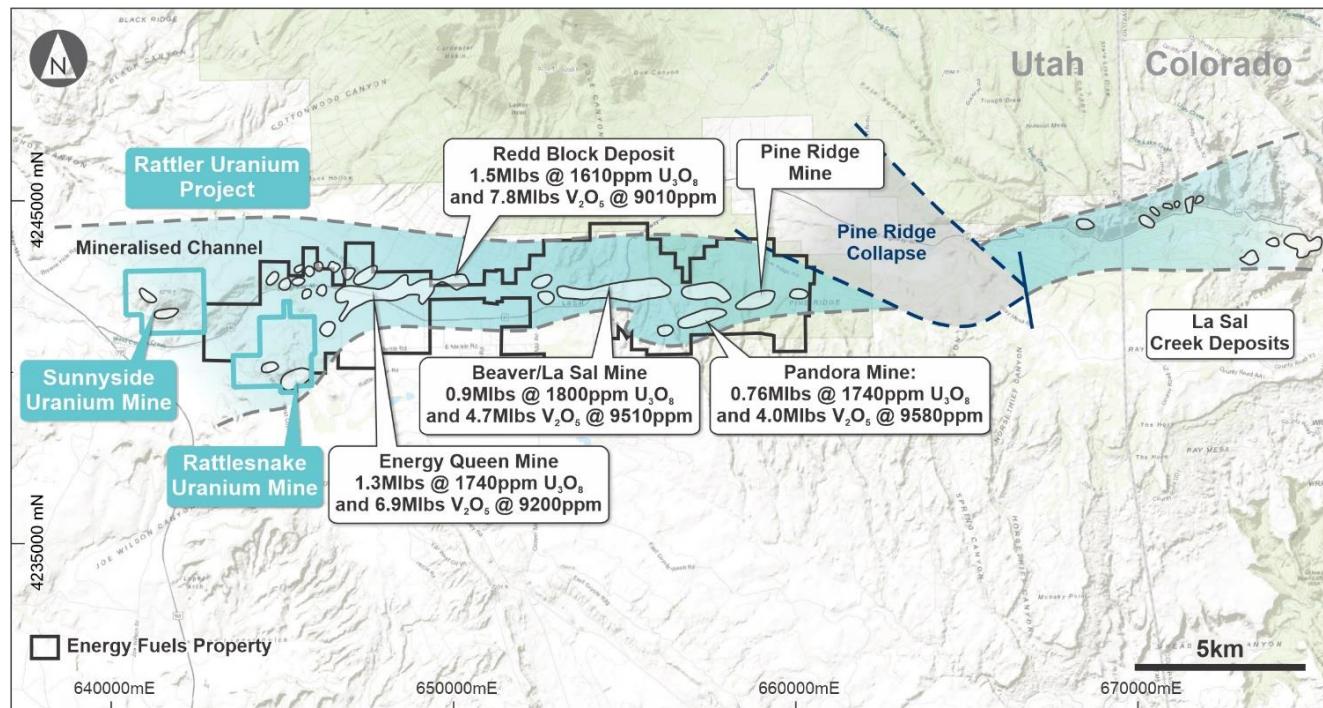
JORC 2012 Mineral Resource Estimate for the Tallahassee Uranium Project												
Property	Measured			Indicated			Inferred			Total		
	Tonnes (000)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Lbs U <sub>3</sub> O <sub>8</sub> (000)	Tonnes (000)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Lbs U <sub>3</sub> O <sub>8</sub> (000)	Tonnes (000)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Lbs U <sub>3</sub> O <sub>8</sub> (000)	Tonnes (000)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Lbs U <sub>3</sub> O <sub>8</sub> (000)
Taylor and Boyer	-	-	-	7,641	520	8,705	14,865	460	15,172	22,506	480	23,877
High Park	2,450	550	2,960	24	590	30	434	770	734	2,907	580	3,724
<b>Total</b>	<b>2,450</b>	<b>550</b>	<b>2,960</b>	<b>7,665</b>	<b>520</b>	<b>8,735</b>	<b>15,299</b>	<b>470</b>	<b>15,906</b>	<b>25,413</b>	<b>490</b>	<b>27,601</b>

*Notes: Calculated applying a cut-off grade of 250ppm U<sub>3</sub>O<sub>8</sub>. Numbers may not sum due to rounding. Grade rounded to nearest 10ppm.*

The Company also acquired additional high-grade uranium pounds located immediately alongside and contiguous with Okapi's High Park Deposit. The Company added a further 640 acre landholding through the execution of a mining lease with the State of Colorado. The New Project Area was previously drilled out on 30 metre centres with approximately 550 holes drilled for 26,000m completed in the late 1970's. This New Project Area has a JORC 2012 Resource 2.48 million pounds of U<sub>3</sub>O<sub>8</sub> at 570ppm U<sub>3</sub>O<sub>8</sub>.

## Rattler Uranium Project, Utah

The Rattler Uranium Project comprises ninety-eight (98) Bureau of Land Management (BLM) unpatented Federal mining claims totalling of approximately 1,960 acres in the La Sal Uranium District.



**Figure 2 – La Sal Uranium District, including the Rattler Uranium**

During the quarter, the Company commenced initial field programs at its high-grade Rattler Uranium Project with Okapi's exploration team on-site to conduct an initial review of the historical workings, undertake geological mapping to gather information for future programmes and to undertake rock chip sampling. The rock chip samples are awaiting being sent for assaying.

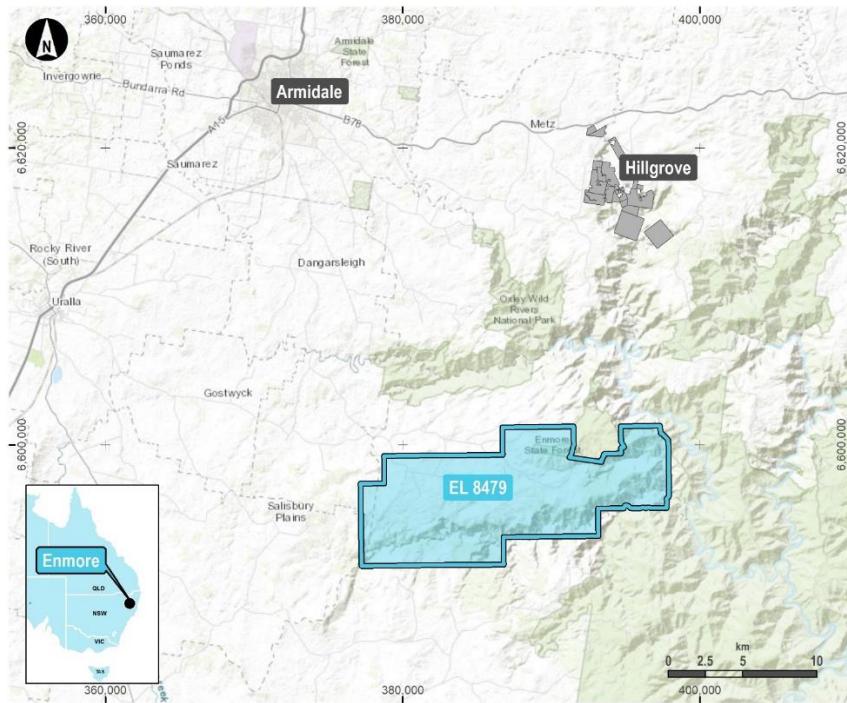
The Company is currently in the process of submitting permits to drill at Rattler with the BLM, State and County regulators, and plans to commence drilling in March or April subject to permits and drill rig availability.

## Lake Johnston and Crackerjack Projects

During the quarter, no exploration activity was conducted on Lake Johnston and Crackerjack Project.

## Enmore Gold Project, NSW

Okapi's Enmore Gold Project is located approximately 20km south of the operating Hillgrove Gold Mine (ASX:RVR), where past production exceeds 730,000 ounces of gold.



**Figure 3 – Location of the Enmore Gold Project**

During the previous quarter, the maiden drilling program intersected significant, thick, shallow gold mineralisation with exceptional results received including **174m @ 1.83 g/t gold**, from surface, with this hole, OSSRC06, ending in mineralisation, with the deepest interval returning **3m @ 8.86 g/t gold** from 171m to EOH<sup>1</sup>.

During the quarter, Okapi's shareholders approved the issue of shares 620,023 at the Annual General Meeting as part of the Milestone 1 payment to acquire the Enmore Gold Project.

<sup>1</sup> All intercepts are downhole widths and OSSRC05 and OSSRC06 have been drilled parallel to strike and do not represent true widths. Okapi does not have enough information at this stage to estimate true width with more work required. Okapi cautions readers that true thickness are likely to be significantly thinner than the downhole widths reported.

## CORPORATE

### Managing Director Appointment

During the quarter, highly experienced mining executive, Mr Andrew Ferrier was appointed as Managing Director.

Mr Ferrier has more than 15 years of experience in both management, corporate finance and principal investing roles in the global mining sector. He has previously held senior roles for Pacific Road Capital, a large mining-focused private equity investment firm where he worked for 12 years across USA, Canada and Australia. Mr Ferrier has significant knowledge and understanding of the North American Uranium space having been heavily involved in the development, permitting and sale of the Reno Creek ISR Uranium project in Wyoming, USA.

Executive Director, Mr David Nour retired at the Company's Annual General Meeting.

### OTCQB Trading in the USA

Okapi commenced trading on OTCQB market on 22 November 2021 in the USA, providing North American investors with the opportunity to purchase Okapi stock as the Company executes its strategy to become a new leader in North American carbon-free nuclear energy.

The Company's cross-trade allows Okapi shares to be traded on the OTCQB market under the Company's ticker code OKPRF. No new shares have been issued to facilitate this quotation. B. Riley Securities acted as the Company's OTCQB sponsor.

The Company is currently seeking approval for Depository Trust Clearing (DTC) eligibility to facilitate real-time electronic trading in the USA which will further enhance liquidity and trading activity in the USA.

### Cashflow for the Quarter

Okapi held cash reserves at end of quarter of approximately \$4.0 Million and investment in listed entities currently valued at approximately \$0.45 Million.

During the quarter, a total amount of approximately \$188,000 (as shown in 6.1 of Appendix 5B) was paid to directors and officers which includes consulting fees and superannuation payments. These payments were paid in accordance with the directors' and officer's contracts.

The Company paid approximately \$597,000 (capitalised and expensed) on exploration and evaluation activities including geological consulting services, drilling and field expenses, assay costs, property lease and annual rates payments.

## Securities on issue as at 24 January 2022

Securities	Number of Securities
Fully Paid Ordinary Shares (OKR)	112,631,749
<ul style="list-style-type: none"> <li>• 11,166,666 escrowed until 24 February 2022</li> <li>• 22,333,334 escrowed until 24 August 2022</li> </ul>	
Listed Options (OKRO) exercisable at \$0.30 each expiring 31 March 23	17,992,230
Unlisted Options exercisable at \$0.30 expiring 24 August 2023	29,425,000
<ul style="list-style-type: none"> <li>• 5,583,333 escrowed until 24 February 2022</li> <li>• 11,166,667 escrowed until 24 August 2022</li> </ul>	
Unlisted Options exercisable at \$0.30 expiring 8 April 2024	1,125,000
Unlisted Options exercisable at \$0.35 expiring 8 April 2024	1,125,000
Unlisted Options exercisable at \$0.50 expiring 31 December 2024	3,000,000
Unlisted Options exercisable at \$0.60 expiring 31 December 2024	2,000,000
Unlisted Options exercisable at \$0.70 expiring 31 December 2024	2,000,000
Performance Rights expiring 31 December 2025	2,000,000

This announcement has been authorised for release by the Board of Okapi Resources Limited.

### For further information please contact:

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Managing Director

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### Competent Person's Statement

The information in this announcement that relates to the Mineral Resources for the Tallahassee Uranium Project is based on information compiled by Ms. Kira Johnson who is a Qualified Professional member of the Mining and Metallurgical Society of America, a Recognized Professional Organization (RPO) for JORC Competent Persons. Ms Johnson compiled this information in her capacity as a Senior Geological Engineer of Tetra Tech. Ms Johnson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she 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". Ms. Kira Johnson consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement of 19 October 2021 (titled "**Okapi's Maiden JORC 2012 Resource of 27.6Mlbs of U3O8**"). The Company confirms that all material assumptions and technical

parameters underpinning the estimates in the 19 October 2021 announcement continue to apply and have not materially changed.

Refer to the Company's ASX announcement dated 19 October 2021 titled "***Okapi's Maiden JORC 2012 Resource of 27.6Mlbs of U3O8***" for full details of the Tallahassee Uranium Project's JORC 2012 Mineral Resource estimate.

The information in this report that relates to geology, exploration results and historical Mineral Resource estimates and the database used in the JORC resource calculations is based on information compiled by Mr Ben Vallerine, a Competent Person who is a Member of the Australasian Institute of Geoscientists. Mr Vallerine is a director and shareholder of Okapi Resources. Mr Vallerine has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Vallerine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### **ASX Announcement references:**

- 16 September 2021 – *Updated Enmore Gold Project Drilling Results*
- 12 October 2021 – *Okapi Acquires Additional High-Grade Uranium Pounds*
- 19 October 2021 – *Okapi's Maiden JORC 2012 Resource of 27.6Mlbs of U3O8*
- 9 November 2021 – *Okapi to Acquire High-Grade Uranium Assets – Athabasca Basin*
- 24 November 2021 – *Exploration Commences at Rattler Uranium Project*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

#### **Tallahassee Uranium Project JORC-Compliant Resource Estimate U<sub>3</sub>O<sub>8</sub> as at 31 December 2021**

JORC 2012 Mineral Resource Estimate for the Tallahassee Uranium Project												
Property	Measured			Indicated			Inferred			Total		
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*Notes: Calculated applying a cut-off grade of 250ppm U<sub>3</sub>O<sub>8</sub>. Numbers may not sum due to rounding. Grade rounded to nearest 10ppm.*

JORC Table 1 included in an announcement to the ASX released on 19 October 2021: "***Okapi's Maiden JORC 2012 Resource of 27.6Mlbs of U3O8***". Okapi confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

# Tenement Holdings and Movements

## Schedule of Mining Tenements and Beneficial Interests

Held as at the end of the December 2021 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Tallahassee Uranium Project	USA	Taylor Ranch – Private Lease Boyer Ranch – Private Lease High Park – Unpatented Mining Claims High Park (New Project Area) – State Lease	100% 100% 100% 100%
Rattler Uranium Project	USA	Unpatented Mining Claims	0% <sup>1</sup>
Enmore Gold Project	Australia	EL8479	100%
Lake Johnston Project	Australia	E63/2039 E63/1903	100% 0% <sup>2</sup>
Crackerjack	Australia	E80/4675	100%

<sup>1</sup>Okapi has the right to acquire 100% interest upon satisfaction of payments.

<sup>2</sup>Okapi has executed a binding farm-in agreement with Lithium Australia NL to earn an undivided 75% in the tenements.

## Acquired during the December 2021 Quarter

Project/Location	Country	Tenement	Granted/Acquired Date
Tallahassee Uranium Project	USA	High Park (New Project Area)	12 Oct 2021
Enmore Gold Project	Australia	EL8479	6 Dec 2021

## Disposed of during the December 2021 Quarter

Project/Location	Country	Tenement	Withdrawal Date
Nil			

## Lake Johnston Project (E63/1903), Lake Johnston area, Western Australia

Okapi has entered into a binding Farm-In Agreement with Lithium Australia NL (ASX: LIT) to earn a 75% interest in mineral rights, other than lithium over tenement E63/1903 subject to meeting expenditure commitments as per ASX announcement 7<sup>th</sup> December 2020, "Okapi Enters into an Amended and Restated Farm In Agreement".