



18 February 2020

Daniel Nicholson
Advisor, Listing Compliance
ASX Limited

By email: daniel.nicholson@asx.com.au

Dear Daniel,

Response to ASX Aware Query

We refer to your letter dated 13 February 2020 (ASX Aware Query) to Okapi Resources Limited ("Okapi" or "the Company").

The Company responds to each of your queries as follows:

- 1) Does OKR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

- 2) If the answer to question 1 is "no", please advise the basis for that view.

Okapi currently holds 800,000 shares in AJN Resources Inc ("AJN"), which represents a 4% interest in AJN. Although Okapi's marked to market investment value in AJN increased following the announcement, the share price has fluctuated over 12 months from a low of CAD\$0.05 to a high of CAD\$1.34, and is presently trading at CAD\$0.85, with the current market capitalisation of AJN at circa CAD\$13 million.

The Company considers that the increase in the market value is not material to the Company and considers the announcement made by AJN would not have a material effect on Okapi's share price or value given it is an investment only and Okapi is not involved in AJN on a day to day basis as a minority shareholder. Mr Ferguson is a director of AJN but is a non-executive director. As Okapi considers this as an investment and considering the size of the investment, Okapi does not always track AJN or investments of that nature on a daily basis.

The Company first become aware of AJN's announcement and its price movement on or around 9.00am (WST) on 7 February 2020. Upon receiving this information, an announcement was drafted and provided to the Board for their comments.

The announcement titled "Investment in AJN Resources Update" was then lodged and released on the ASX platform. The Company therefore considers this announcement was released promptly, notwithstanding the Company's view that it was not material.

Okapi also noted that while its share price had moved from \$0.075 to \$0.09 on 7 February 2020, only approximately a total of 66,992 shares with a value of \$6,029.28 were traded.

3) When did OKR first become aware of the Information?

The Company first become aware of the Information on or around 9.00am (WST) on 7 February 2020.

4) If the answer to question 1 is "yes" and OKR first became aware of the Information before the relevant date (being 7 February 2020 prior to OKR's pause in trading at 3.24 PM AEDT), did OKR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe OKR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps OKR took to ensure that the information was released promptly and without delay.

Not applicable.

5) Please confirm that OKR is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms it is in compliance with the Listing Rule and in particular, Listing Rule 3.1.

6) Please confirm that OKR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of OKR with delegated authority from the board to respond to ASX on disclosure matters

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours sincerely,



Nigel Ferguson
Managing Director



13 February 2020

Mr Leonard Math
Company Secretary
Okapi Resources Limited

By email

Dear Mr Math

Okapi Resources Limited ('OKR'): Aware Query

ASX refers to the following:

- A. The change in price of OKR's securities from a low of \$0.075 on Monday, 3 February 2020, to a high of \$0.09 on Friday, 7 February 2020 prior to the pause in trading (see below), and the increase in volume of securities traded from 3 February 2020 to 7 February 2020 prior to the pause in trading.
- B. The pause in trading of OKR's securities released on the ASX Market Announcements Platform ('MAP') at 3:24 PM AEDT on 7 February 2020.
- C. OKR's announcement entitled "*Investment in AJN Resources Update*" lodged on the ASX Market Announcements Platform and released at 4.05 pm] on 7 February 2020 (the 'Announcement'), disclosing a market update in respect of AJN Resources Inc. (a CSE listed entity for which OKR holds an approximate 4% interest in) ('Information').
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks OKR to respond separately to each of the following questions and requests for information:

1. Does OKR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did OKR first become aware of the Information?
4. If the answer to question 1 is "yes" and OKR first became aware of the Information before the relevant date (being 7 February 2020 prior to OKR's pause in trading at 3.24 PM AEDT), did OKR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe OKR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps OKR took to ensure that the information was released promptly and without delay.
5. Please confirm that OKR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that OKR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of OKR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AWST, Tuesday, 18 February 2020**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, OKR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require OKR to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to OKR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that OKR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in OKR's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)