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OKAPI
RESOURCES

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2020

ABN

21 619 387 085

DIRECTORS

Rhoderick Grivas – Non-executive Chairman
Andrew Shearer – Executive Director
David Nour – Non-executive Director
Raymond (Jinyu) Liu – Non-executive Director

COMPANY SECRETARY

Leonard Math

REGISTERED OFFICE &
PRINCIPAL PLACE OF BUSINESS

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SHARE REGISTRY

Advanced Share Registry Limited
trading as Advanced Share Registry Services
110 Stirling Highway,
Nedlands, Western Australia 6009

WEBSITE

www.okapiresources.com

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
(ASX Code OKR)

Contents

Corporate Directory	1
Review of Operations	3
Directors' Report	9
Auditor's Independence Declaration	20
Consolidated Statement of Comprehensive Income	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
Notes to the Financial Statements	25
Directors' Declaration	45
Independent Auditor's Report	46
ASX Additional Information	51

Mount Day Project (Western Australia)

(Farm-In to earn 75%)

On 3rd September 2020, the Company entered into a Farm-In Agreement and tenement application to secure an under explored 10km open file gold in soil anomaly in the Lake Johnston Greenstone Belt, Western Australia.

The binding Farm-In Agreement is with Lithium Australia NL (ASX:LIT) on tenements in the Lake Johnston area, Western Australia. The tenements are located at the southern end of the Lake Johnston Greenstone Belt in central Western Australia. The belt hosts Lake Johnston nickel mines (Poseidon Nickel, ASX:POS) (Figure 1).

In addition, Okapi has applied for an adjacent tenement, to cover a coincident structural and geochemical defined target. The area has been the focus of nickel and lithium exploration with limited follow up on the gold potential.

The key terms of the agreement with Lithium Australia for the exclusive right to earn an undivided 75% interest in mineral rights, other than lithium, over the Maggie Hays tenements, are:

- Okapi will pay a \$20,000 deposit to secure the option and has 10 business days from the date of the Agreement to complete legal due diligence.
- Okapi has 30 days from the date of agreement to complete the technical due diligence. Upon satisfaction of the legal and technical due diligence, Okapi may exercise the option to proceed with the farm-in.
- Okapi will undertake a minimum expenditure of A\$150,000 on the tenements.
- Okapi will be entitled to earn a 75% interest in the Tenements by undertaking exploration expenditure of not less than \$1,200,000 (inclusive of the \$150,000 Minimum Expenditure) on the Tenements within 60 months of the date that the option is exercised.
- If Okapi acquires the Farm-in Interest, Okapi must free carry Lithium Australia until completion of a definitive feasibility study.

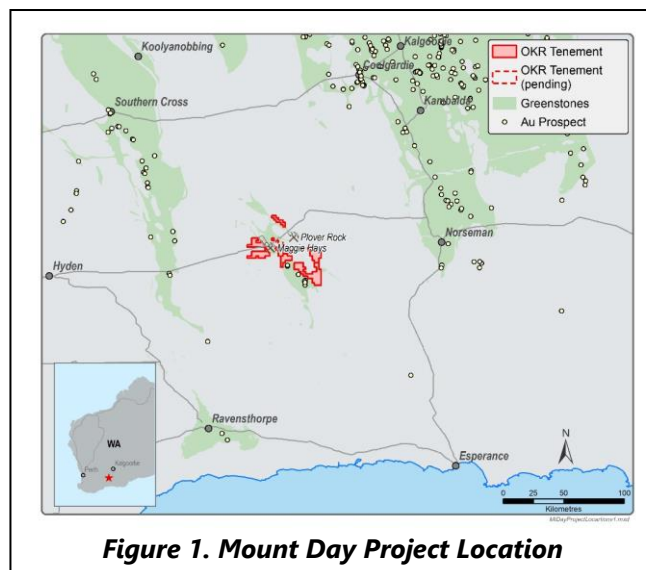


Figure 1. Mount Day Project Location

There has been very limited drilling undertaken on the main prospect areas with seven drill holes on Okapi's exploration licence application, 5 of those reported encouraging pathfinder elements and the best intercept included 2m @ 11.04g/t Au (see ASX release: *Okapi enters into Western Australian Gold Project, 3/9/2020*).

In addition to the gold opportunity the region hosts nickel deposits in the same geological sequence present in the Mount Day Project.

The main target at the Mount Day Project straddles the Okapi tenement application and the Farm-in tenement with Lithium Australia. A potential regional strike slip structure has been interpreted from the magnetics (Figure 2). Open file geological mapping has interpreted the greenstone lithologies as being coincident with the geophysical and geochemical anomalies.

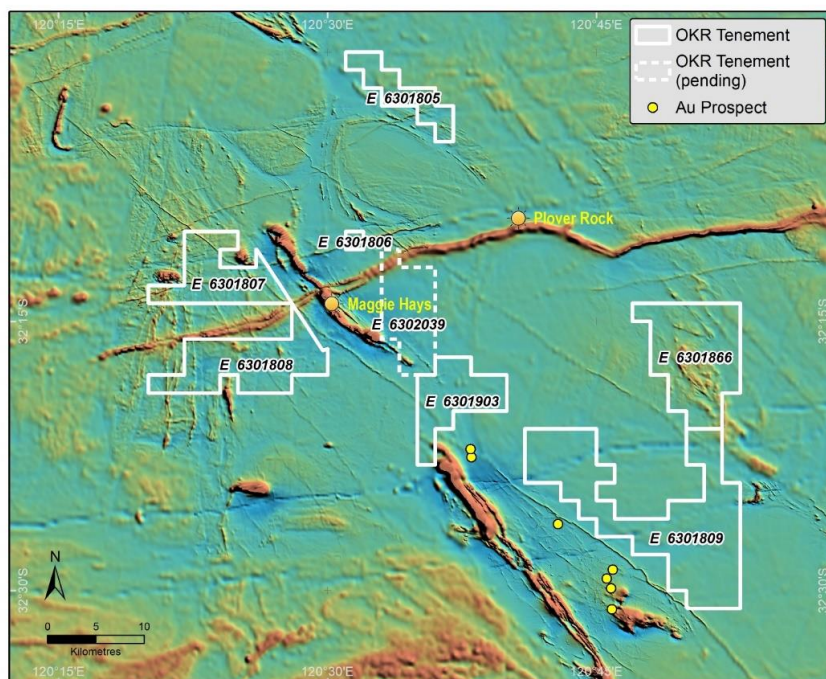


Figure 2. Interpreted strike slip structure based on regional aeromagnetic data.

In conjunction with the interpreted regional structure a semi continuous 10km long by 1 km wide anomalous zone has been identified in open file geochemical data (Figure 3). The soil sample results also coincide with a number of anomalous rock chip samples and historical workings. Most of the available rock chip samples appear to have been focussed on old workings and not on the main gold in soils trend, presenting an opportunity for Okapi. Historical drilling in the late 1990's appears to have been focussed on rock chip results and not the adjacent soil anomaly.

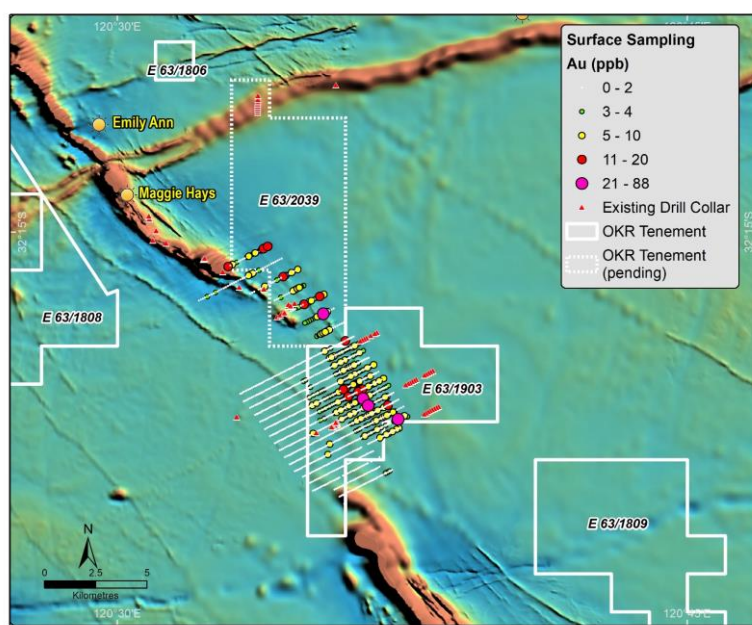


Figure 3. Anomalous gold zone from open file data

The Crackerjack Project (100% owned)

The Crackerjack Project ("Crackerjack") is located approximately 85 kilometres south-west of Halls Creek in the Kimberley District of Western Australia (**Figure 4**).

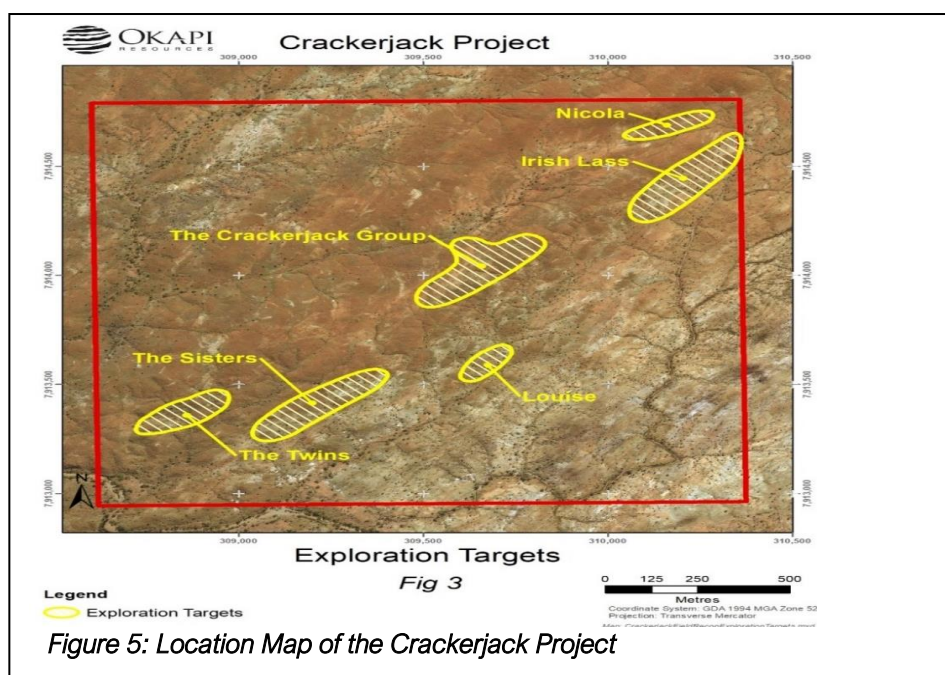
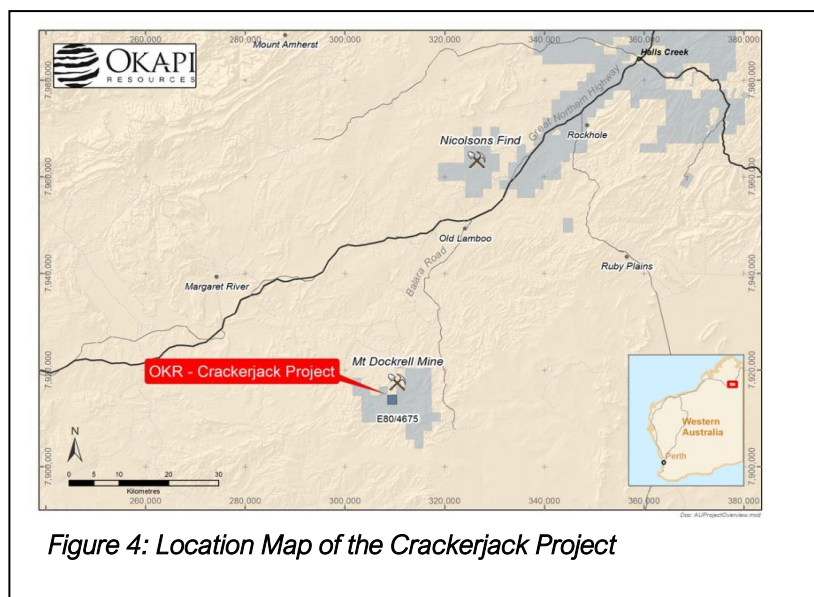
There had previously been very limited modern exploration work undertaken at Crackerjack, with historic results indicating the presence of high-grade gold mineralisation. The Mount Dockrell area has been worked for alluvial gold and hard rock gold for decades with significant amounts of gold being won.

Exploration Activities

In the previous year, the Company completed a Phase 2 mapping and sampling program, that focused upon following up on the initial program so as to better understand those initial results. This follow-up program consisted of 77 hard rock samples. The assay results have further defined the initial results at and around several prospects (**Figure 5**) on the tenement and included the following significant Phase 2 assay results;

The Sisters - 5.0 g/t Au;
Crackerjack NE – up to 3.8 g/t Au;
Crackerjack – up to 1.9 g/t Au; and
'Crackerjack Shear' – results included 1.5 g/t Au & 0.9 g/t Au

No exploration activity was undertaken during the year.



Mambasa Project

(Option to earn in to 70% interest)

The Mambasa Gold Project is a brownfields project with several historical colonial gold workings and current artisanal gold activity covering over a 600m strike length and up to 25m in depth. The Mambasa Project consists of two granted licences, PE364 and PE480, located approximately 18km to the south of the town of Mambasa, in the Mambasa District of Ituri Province in the north-eastern DRC.

The Company executed the Mambasa Joint Venture Agreement with Kalubamba SARL and Medidoc FZE which granted Okapi the right to earn a 70% interest in the Mambasa Project and to act as the manager. The Mambasa Joint Venture Agreement provides for an exploration expenditure earn-in by the Company over an approximate 4-year period, with a minimum spend of US\$150,000 on exploration work (Phase 1 Assessment) within 12 months of the ASX listing date having already been achieved.

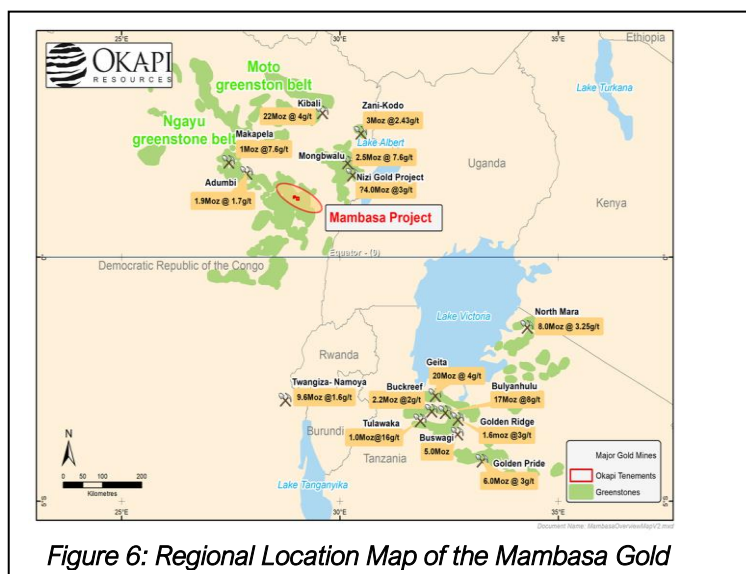


Figure 6: Regional Location Map of the Mambasa Gold

In the previous year, the Company completed Stage 1 & 2 Soil Sampling programs, after receiving the assay results from the 2nd Stage infill sampling program. This program was designed around areas of interest defined in the initial Stage 1 program. This second round of sampling infilled previous lines at an approximate 125 metre line spacing and at 50 metre centres, with a total of 500 samples analysed returning gold results up to 0.31 g/t gold in soils (Figure 7).

The latter results further supported the regional northwest fabric and added more detail to the north-south trending structure identified in the initial in Stage 1 program. The confluence of these 2 orientations is of particular interest as it possibly defines a control on gold mineralisation in the district. This observation is supported by the fact that Mount Pede, an area of significant artisanal mining activity, is located at this juncture.

Desktop analysis of these results was carried out as well as planning of follow up exploration programs.

Okapi has met the Year 1 expenditure commitments for the Mambasa Gold Project as defined by the Joint Venture Agreement.

During the year, Okapi has not conducted any exploration activities in the Mambasa Project.

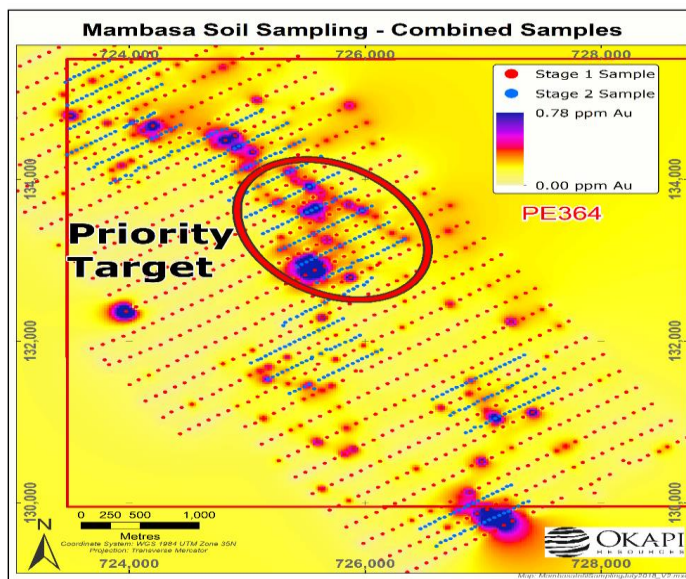


Figure 7: Mambasa Phase 1 Exploration Program – Gold Soil Sampling Results – Stages 1 & 2

Tendao Gold Project

During the year, the Company secured an initial 50% equity holding in the Tendao Gold Project (“Tendao Project”) in the multi-million ounce Kilo-Moto Greenstone Belt of the Haut Uele Province, Democratic Republic of Congo.

As announced on the 26 September 2019, Okapi has executed a Binding Term Sheet to earn an initial 50% equity right in Wanga Mining Company SARL (WMC). WMC holds a 100% interest in mineral licences PE5045, PE5050, PE5054, PE5069 and PE13062 located in the Democratic Republic of Congo (“DRC”).

The tenements comprise the Tendao Gold Project, which was first mined in the early 1900’s and has recorded historical drill intercepts of up to 43.3g/t Au. It should be noted that these results are from the 1940/50’s and were obtained from the archives of SOKIMO in Watsa, DRC and no details regarding the nature of the results are available.

In March 2020, the Company has decided to cease negotiations in acquiring an equity interest in the Tendao Gold Project. The Company is in discussions with the vendor to assess recouping any funds forwarded to them as part consideration for the acquisition.

(Refer to ASX announcement dated 26 September 2019 titled “Okapi Secures Controlling Project Interest – Tendao Project” for full details of the transaction.)

CORPORATE

During the year, the Company continued to assess mineral resources projects and investment opportunities that would complement its existing portfolio of assets.

In September 2019, the Company executed a Binding Term Sheet to earn 50% equity right in Wanga Mining Company SARL (WMC). WMC holds a 100% interest in mineral licences PE5045, PE5050, PE5054, PE5069 and PE13062 located in the Democratic Republic of Congo ("DRC").

Following completion of its due diligence on WMC and after discussions on the proposed transaction with major shareholders, the Company has decided to cease negotiations and disinclined to proceed with the acquisition.

During the first-half of the year, Okapi participated in a placement (\$450,000 investment at \$0.003 per share) in ASX listed Amani Gold Limited ("Amani"). Amani owns the Giro Gold Project ("Giro"), which comprises two exploration permits covering a surface area of 497km² and lying within the Kilo-Moto Belt (Democratic Republic of Congo), a significant under-explored greenstone belt and which hosts Randgold Resources' 16 million-ounce Kibali group of deposits within 35km of Giro.

Okapi also participated in a placement (CND\$200,000 investment at CND\$0.25 per share) in CSE listed AJN Resources Inc ("AJN"). AJN is a junior exploration company. AJN's management and directors possess over 75 years of collective industry experience and have been very successful from exploration, to financing, to developing major mines throughout the world with a focus on Africa and especially the DRC.

Board Changes

Messrs Klaus Eckhof and Michael Montgomery retired as Directors after the Company's Annual General Meeting in November 2019.

Mr David Nour was appointed as Non-Executive Director of Okapi following the conclusion of the AGM.

On 30 June 2020, Mr Nigel Ferguson resigned as Managing Director and Mr Rhoderick Grivas was appointed as Non-Executive Chairman on the same day.

COMPETENT PERSON

The information in this report that relates to Exploration Results is based on information compiled from DMIRS open file reports system, WAMEX, by Mr David Crook. Mr Crook is a geological consultant to Okapi Resources Limited. Mr Crook is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the exploration processes undertaken to qualify as a Competent Person as defined in the 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Crook consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The directors present their report on the consolidated entity comprising Okapi Resources Limited ("Okapi" or "the Company") and its controlled entities ("the consolidated entity" or "Group") for the financial year ended 30 June 2020.

DIRECTORS

The following persons were directors of the Company during the whole of the financial period and up to the date of this report unless otherwise indicated:

Rhoderick Grivas – Non-executive Chairman (appointed 30 June 2020)
Andrew Shearer – Executive Director (appointed 20 July 2020)
David Nour – Non-executive Director (appointed 28 November 2019)
Raymond (Jinyu) Liu – Non-executive Director

Klaus Eckhof – Non-executive Chairman (retired 28 November 2019)
Nigel M Ferguson – Managing Director (resigned 30 June 2020)
Michael Montgomery – Technical Director (retired 28 November 2019)

INFORMATION ON DIRECTORS

Mr. Rhoderick Grivas – Non-executive Chairman Appointed 30 June 2020

Mr Grivas is a geologist with over 30 years of experience in the resource industry, including 20 years of board experience on ASX listed companies. Mr Grivas has held a number of director and management positions with publicly listed mining and exploration companies, including Managing Director of ASX and TSX listed gold miner Dioro Exploration NL where he oversaw the discovery and development of a gold resource through feasibility to production. Mr Grivas has a strong combination of equity market, M&A, commercial, strategic, and executive management capabilities. Mr Grivas is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors and is currently Non-Executive Chairman of several ASX listed companies.

During the past three years, Mr. Grivas has also served as a Director of the following listed companies:

Company	Date Appointed	Date Ceased
Andromeda Metals Limited	27 October 2017	-
Aldoro Resources Limited	20 November 2019	-
Golden Mile Resources Limited	30 March 2017	-

Mr. Grivas does not hold any securities in Okapi Resources Limited.

Mr. Andrew Shearer – Executive Director
Appointed 20 July 2020

Mr. Shearer has over 25 years' experience in the finance and resource sectors, with an ability to combine both technical and financial experience in the assessment of investment opportunities. He has an extensive network of contacts from both the mining and finance communities, providing opportunities to develop new projects and source market information. Most recently Andrew held the position of Senior Resources Analyst at PAC Partners, a well-respected and trusted analyst and corporate advisor of companies with extensive experience in reporting accurately and concisely on findings with an ability to tailor reports to the target audience. Industry experience has included senior management and technical roles with Mount Isa Mines, Glengarry Resources and the South Australian Government.

During the past three years, Mr. Shearer has also served as a Director of the following listed companies:

Company	Date Appointed	Date Ceased
Andromeda Metals Limited	27 October 2017	-
Investigator Resources Limited	14 July 2020	-
Resolution Minerals Limited	6 March 2017	-

Mr. Shearer does not hold any securities in Okapi Resources Limited

Mr. David Nour – Non-executive Director
Appointed 28 November 2019

Mr Nour comes from private business and has a strong commercial background having worked in private wealth management and professional investment over the past 25 years with CBA & Bluestone Group.

Mr. Nour has not held any other directorship in the past three years.

Interest in shares and performance rights:
3,054,846 ordinary fully paid shares

Mr. Jinyu (Raymond) Liu – Non-executive Director
Appointed 25 October 2017

Mr Liu is a qualified mining engineer with a commercial background and received his degree in Mining Engineering from University of Western Australia. He also holds a Master of Mineral Economics from Curtin University and a Western Australia Unrestricted Quarry Manager's licence. Mr Liu is the founding Managing Partner of Havelock Mining Investment, a Hong Kong investment company and has been involved with numerous investments in ASX listed companies. Previously, he has served as a Director of Fosun International Australia, a Chinese conglomerate and investment company and prior to this, he held technical roles at Rio Tinto, KCGM and Mt Gibson Iron.

During the past three years, Mr. Liu has also served as a Director of the following listed companies:

Company	Date Appointed	Date Ceased
Galan Lithium Limited	25 June 2018	-

Interest in shares and performance rights:
300,000 ordinary fully paid shares

COMPANY SECRETARY

Mr. Leonard Math (BCom, CA)
Appointed 26 April 2019

Mr. Math is a Chartered Accountant with more than 14 years of resources industry experience. He previously worked as an auditor at Deloitte and is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations. He has previously acted as a Director, Chief Financial Officer and Company Secretary of a number of ASX listed Company.

Interest in shares and performance rights:
Nil

Craig Nelmes resigned as Company Secretary on 31 July 2019.

PRINCIPAL ACTIVITIES

The Group is in the business of mineral exploration with a specific focus on gold and/or base metals exploration. The Group's primary aim in the near-term is to explore for, discover and develop gold deposits on the mineral exploration projects within Australia.

The Group continues to actively review other resource projects, with a focus on advanced project opportunities that offer the best potential to generate wealth for the Group and its shareholders.

FINANCIAL REVIEW

The result of the Group for the financial year ended 30 June 2020 was a loss after tax of \$2,830,305 (2019: \$1,071,307).

EARNINGS PER SHARE

The basic loss per share for the year ended 30 June 2020 was 7.89 cents (2019: 3.12 cents).

Audited Remuneration Report

This report details the nature and amount of remuneration for all key management personnel of Okapi Resources Limited and its subsidiaries. The information provided in this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group and the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

The individuals included in this report are:

Rhoderick Grivas – Non-executive Chairman (appointed 30 June 2020)
Andrew Shearer – Executive Director (appointed 20 July 2020)
David Nour – Non-executive Director (appointed 28 November 2019)
Raymond (Jinyu) Liu – Non-executive Director

Klaus Eckhof – Non-executive Chairman (retired 28 November 2019)
Nigel M Ferguson – Managing Director (resigned 30 June 2020)
Michael Montgomery – Technical Director (retired 28 November 2019)

Leonard Math – Company Secretary

(a) Remuneration Policy

The remuneration policy of Okapi Resources Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and/or performance rights), executive, business and shareholder objectives are aligned. The board of Okapi Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Group, as well as create goal congruence between directors and shareholders. The board's policy for determining the nature and amount of remuneration for board members is as follows:

(i) *Executive Directors & Other Key Management Personnel*

The remuneration policy and the relevant terms and conditions has been developed by the full Board of Directors as the Group does not have a Remuneration Committee due to the size of the Group and the Board. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Mr. Shearer was appointed as Executive Director on 20 July 2020 and received an annual remuneration package of \$135,000 plus 9.5% statutory superannuation through an Executive Services Agreement. Mr Shearer's employment may be terminated without reason by the Group giving 4 months' notice. The Group may otherwise terminate his employment with one month notice for cause.

There are no other service or consulting agreements in place with key management personnel. At this stage due to the size of the Group, no remuneration consultants have been used. The Board's remuneration policies are outlined below:

Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. If entitled, all executives also receive a superannuation guarantee contribution required by the government, which is currently 9.50% and do not receive any other retirement benefits.

Short-term Incentives (STI)

Under the Group's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. No short-term incentives were paid in the current financial year. The Board is currently determining the criteria of eligibility for short-term incentives and will set key performance indicators to appropriately align shareholder wealth and executive remuneration.

Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the Group and it is therefore the Group's objective to provide incentives for participants to partake in the future growth of the Group and, upon becoming shareholders in the Group, to participate in the Group's profits and dividends that may be realised in future years. The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of Group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

(ii) Non-Executive Directors

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. In determining competitive remuneration rates, the Board review local and international trends among comparative companies and the industry generally. Typically, the Group will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development sector.

(b) Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

No relationship exists between the Group performance, earnings, shareholder wealth and Directors' and Executive remuneration for this financial period. No remuneration is currently performance related.

(c) Details of Key Management Personnel Remuneration

Name	Fees	Post-Employment	Share Based Payments	Total	Remuneration as Share payments
	\$	\$	\$	\$	%
2019					
Nigel Ferguson – Managing Director	139,375	-	25,041	164,416	15
Klaus Eckhof - Non-executive Chairman	84,583	-	41,736	126,319	33
Michael Montgomery ¹ – Technical Director	135,400	-	-	135,400	
Jinju (Raymond) Liu – Non-executive Director	30,000	-	-	30,000	
	389,358	-	66,777	456,135	
Leonard Math ²	4,000	-	-	4,000	
Craig Nelmes	68,306	-	15,363	83,669	15
TOTAL	461,664	-	82,140	543,804	
2020					
Nigel Ferguson – Managing Director	167,250	-	-	167,250	
Klaus Eckhof - Non-executive Chairman ¹	50,000	-	-	50,000	
David Nour – Non-executive Director ²	17,750	-	-	17,750	
Jinju (Raymond) Liu – Non-executive Director	21,250	-	-	21,250	
Michael Montgomery ¹	131,855	-	-	131,855	
	388,105	-	-	388,105	
Leonard Math	55,227	-	-	55,227	
Craig Nelmes ³	5,037	-	-	5,037	
TOTAL	448,369	-	-	448,369	

¹ Mr. Montgomery appointed on 26 April 2019. During the financial year, Mr. Montgomery provided consulting services to Okapi Resources Limited through Geosure Geological Consultants.

² Mr. Math appointed on 26 April 2019

³ Mr. Eckhof and Mr. Montgomery resigned on 28 November 2019

² Mr. Nour appointed on 28 November 2019

³ Mr. Nelmes resigned on 31 July 2019

(d) Share based compensation

During the year, a total of 1,699,999 Class A Performance Rights vested. The Class A vesting conditions were met on 14 December 2017 and the Class A performance rights were subsequently exercised on 9 August 2019.

The number of performance rights exercised by directors and key management personnel during the year are set out below:

Directors/KMP	Class A No.
Klaus Eckhof – Non-executive Chairman	833,333
Nigel Ferguson – Managing Director	500,000

During the year ended 30 June 2020, there was no performance rights granted to directors and key management personnel.

On 30 June 2020, all outstanding Performance Rights totalling 4,300,001 expiring 31 December 2021 have lapsed.

(e) Key Management Personnel Compensation – other transactions

(i) Options provided as remuneration and shares issued on exercise of such options.

No options were provided as remuneration during the year.

(ii) Loans to key management personnel

No loans were made to any director or other key management personnel of the Group, including related parties during the financial year.

(iii) Other transactions with key management personnel

No other transactions with key management personnel occurred during the financial year.

Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

(iv) **Share-holdings of Key Management Personnel**

The number of shares in the Company held during the financial year by each director of Okapi Resources Limited and other key management personnel of the Company, including related parties, are set out below. There were no shares granted during the year as remuneration.

2020	Opening Balance 1 July 2019 No.	Other changes during the year No.	Closing Balance 30 June 2020 No.
Directors			
Rhoderick Grivas ¹	-	-	-
David Nour ²	-	2,955,133	2,955,133
Klaus Eckhof ³	1,000,000	833,333	1,833,333
Nigel Ferguson ⁵	2,154,911	500,000	2,654,911
Michael Montgomery ³	100,000	-	100,000
Junju (Raymond) Liu	300,000	-	300,000
Other executives			
Leonard Math	-	-	-
Craig Nelmes ⁴	100,000	-	100,000
Total	3,654,911	4,288,466	7,943,377

¹ Mr Grivas was appointed on 30 June 2020.

² Mr Nour was appointed on 28 November 2019 and held those shares at the time of appointment.

³ Mr Eckhof and Mr Montgomery held those shares at the time of resignation – 28 November 2019.

⁴ Mr Nelmes held those shares at the time of resignation - 31 July 2019.

⁵ Mr Ferguson held those shares at the time of resignation – 30 June 2020.

2019	Opening Balance 1 July 2018 No.	Other changes during the year No.	Closing Balance 30 June 2019 No.
Directors			
Klaus Eckhof	1,000,000	-	1,000,000
Nigel Ferguson	2,000,010	154,901	2,154,911
Michael Montgomery ¹	-	100,000	100,000
Junju (Raymond) Liu	300,000	-	300,000
Other executives			
Leonard Math ²	-	-	-
Craig Nelmes ³	100,000	-	100,000
Total	3,400,010	254,901	3,654,911

¹Mr Montgomery was appointed on 26 April 2019 and held those shares at the time of appointment.

²Mr Math was appointed as Company Secretary on 26 April 2019.

³Mr Nelmes resigned on 31 July 2019.

This is the end of the audited remuneration report.

SHARE OPTIONS

As at 30 June 2020, there were no options over unissued ordinary shares in the Company outstanding, with no options having been issued from incorporation up to the date of this report.

There have been no options issued subsequent to balance date and up to the date of this report.

LIKELY DEVELOPMENTS

The Group's focus over the next financial year will be carry out early stage exploration works on its mineral resource projects and to review additional projects that may be presented to the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Messrs Klaus Eckhof and Michael Montgomery retired as Directors after the Company's Annual General Meeting on 28 November 2019.

Mr David Nour was appointed as Non-executive Director of Okapi following the conclusion of the AGM.

Mr Nigel Ferguson resigned as Managing Director of Okapi on 30 June 2020.

Mr Rhoderick Grivas was appointed as Non-executive Chairman on 30 June 2020.

There were no other significant changes in the state of affairs of the Group during the financial year.

SUBSEQUENT EVENTS

Mr Andrew Shearer was appointed as Executive Director of Okapi on 20 July 2020.

On 3 September 2020, the Company entered into a binding Farm-In Agreement with Lithium Australia NL on tenements in the Lake Johnston area, Western Australia. The tenements are located at the southern end of the Lake Johnston Greenstone Belt in central Western Australia.

In addition, Okapi has applied for an adjacent tenement, to cover a coincident structural and geochemical defined target. The area has been the focus of nickel and lithium exploration with limited follow up on the gold potential.

Farm-in Terms:

Okapi has entered into an agreement with Lithium Australia for the exclusive right to earn an undivided 75% interest in mineral rights, other than lithium, over the Maggie Hays tenements. The key terms are:

- Okapi will pay a \$20,000 deposit to secure the option and has 10 business days from the date of the Agreement to complete legal due diligence.
- Okapi has 30 days from the date of agreement to complete the technical due diligence. Upon satisfaction of the legal and technical due diligence, Okapi may exercise the option to proceed with the farm-in.
- Okapi will undertake a minimum expenditure of A\$150,000 on the tenements.

- Okapi will be entitled to earn a 75% interest in the Tenements by undertaking exploration expenditure of not less than \$1,200,000 (inclusive of the \$150,000 Minimum Expenditure) on the Tenements within 60 months of the date that the option is exercised.

If Okapi acquires the Farm-in Interest, Okapi must free carry Lithium Australia until completion of a definitive feasibility study.

Since the end of the financial period and to the date of this report, no other matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in the subsequent financial year.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

ENVIRONMENTAL REGULATION

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Okapi Resources Limited paid a premium to insure the directors and officers of the Group. The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and forms part of the Directors' report and can be found on page 20 of the financial report.

NON-AUDIT SERVICES

There have been no non-audit services provided by the Group's auditor during the year.

Signed in accordance with a resolution of the directors.

On behalf of the Directors.



Andrew Shearer
Executive Director

30 September 2020
Perth, Western Australia

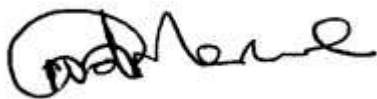
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Okapi Resources Limited and its controlled entity for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Okapi Resources Limited and the entity it controlled during the year.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth
Date: 30 September 2020

	Note	2020 \$	2019 \$
Revenue			
Interest income		5,973	46,077
Other income		14,948	23,662
		<u>20,921</u>	<u>69,739</u>
Expenditure			
Audit fees	16	(18,224)	(19,218)
Compliance expenses		(30,529)	(40,127)
Consulting expenses		(65,037)	(57,988)
Corporate expenses		(60,857)	(50,801)
Depreciation	8	(17,484)	(10,580)
Director and employee fees		(397,677)	(357,491)
Exploration expenses		(1,427,806)	(178,213)
Promotional & website		(74,331)	(79,392)
Share based payments	11	(77,136)	(153,015)
Administration		(108,935)	(94,221)
Fair value adjustment to financial asset		(573,210)	(100,000)
		<u>(2,851,226)</u>	<u>(1,071,307)</u>
Loss before income tax		(2,851,226)	(1,071,307)
Income tax expense	3	-	-
Loss after income tax from continuing operations		<u>(2,851,226)</u>	<u>(1,071,307)</u>
Other Comprehensive income		-	-
<i>Items that may be reclassified to profit or loss</i>			
Total comprehensive income for the year		<u>(2,830,305)</u>	<u>(1,071,307)</u>
Loss per share attributable to the ordinary security holders of the Company (cents per share)		<u>7.89</u>	<u>3.12</u>

The accompanying notes form part of these financial statements

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	879,405	3,210,759
Trade and other receivables	5	57,631	53,719
Total current assets		<u>937,036</u>	<u>3,264,478</u>
Non-current assets			
Financial assets	6	715,945	620,695
Deferred exploration & evaluation expenditure	7	249,250	750,405
Property plant & equipment	8	26,276	43,760
		<u>991,471</u>	<u>1,414,860</u>
Total assets		<u>1,928,507</u>	<u>4,679,338</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	98,129	95,792
Total current liabilities		<u>98,129</u>	<u>95,792</u>
Total liabilities		<u>98,129</u>	<u>95,792</u>
Net assets		<u>1,830,378</u>	<u>4,583,546</u>
Equity			
Issued capital	10	6,236,474	6,236,473
Reserves	11(a)	-	593,170
Accumulated losses	11(b)	(4,406,096)	(2,246,097)
Total equity		<u>1,830,378</u>	<u>4,583,546</u>

The accompanying notes form part of these financial statements

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
2020				
<i>Opening Balance</i>	6,236,473	593,170	(2,246,097)	4,583,546
Loss for the year	-	-	(2,830,305)	(2,830,305)
<i>Total comprehensive income for the period</i>	-	-	(2,830,305)	(2,830,305)
Share based payments (Note 11)	-	77,136	-	77,136
Share based payments lapsed (Performance Rights – Note 11)	-	(670,306)	670,306	-
<i>Balance as at 30 June 2020</i>	<u>6,236,473</u>	<u>-</u>	<u>(4,406,096)</u>	<u>1,830,378</u>
2019				
<i>Opening Balance</i>	6,236,473	440,155	(1,174,790)	5,501,838
Loss for the year	-	-	(1,071,307)	(1,071,307)
<i>Total comprehensive income for the year</i>	-	-	(2,830,305)	(2,830,305)
Shares issued during the year	-	153,015	-	153,015
Share based payments (Note 11)	-	153,015	-	153,015
<i>Balance as at 30 June 2019</i>	<u>6,236,473</u>	<u>593,170</u>	<u>(2,246,097)</u>	<u>4,583,546</u>

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Interest received		5,973	46,077
Payments for suppliers and employees		(932,030)	(1,020,956)
Net cash outflows from operating activities	19	(926,057)	(974,879)
Cash flows from investing activities			
Payments for tenement acquisitions / option fees		(729,683)	-
Payments for shares in listed entity		(668,460)	(711,320)
Payments for purchases of other fixed assets		-	(30,000)
Net cash inflows from investing activities		(1,398,143)	(741,320)
Cash flows from financing activities			
Proceeds from share issue		-	-
Net cash inflows from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents held		(2,324,200)	(1,716,199)
Cash and cash equivalents at the beginning of the period		3,210,759	4,926,958
Cash and cash equivalents at the end of the period	4	886,559	3,210,759

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *General information*

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied, unless otherwise stated. The financial statements are for Okapi Resources Limited and its controlled entity.

The financial statements are presented in the Australian currency.

Okapi Resources Limited is a Company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 30 September 2020. The directors have the power to amend and reissue the financial statements.

(b) *Basis of preparation*

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Okapi Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

These financial statements have been prepared on an accrual basis under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

New standards and interpretations adopted in the 2020 financial year

The Company has adopted AASB 16: Leases which became effective for financial reporting periods commencing on or after 1 July 2019.

AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB interpretation 115 Operating Leases-Incentives and AASB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

(i) Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

(ii) Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Principals of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Okapi Resources Limited ("Company" or "Parent Entity") as at 30 June 2020 and the results of all subsidiaries for the year. Okapi Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are entities the parent controls when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(i) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Okapi Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant

influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(e) Revenue recognition

Revenue from contract(s) with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets

(f) Financial instruments

Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Debt instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below regarding impairment of financial assets.

Financial instruments designated as measured at fair value through profit or loss

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Recognition and derecognition of financial instruments

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Group has discharged its obligations, or the contract is cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(i) Employee benefits

Wages and salaries, annual leave and long service leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(j) Cash and cash equivalents

Cash reserves in the statement of financial position comprise cash on hand.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the net asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(l) Trade and other payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Significant accounting judgements and key estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

Exploration expenditure

Exploration and evaluation costs are assessed on the basis of whether or not it is appropriate to carry as a Deferred exploration asset – refer to (e) above.

(n) Share based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 11.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Options over ordinary shares have also been issued as consideration for the acquisition of interests in tenements and other services. These options have been treated in the same manner as employee options described above, with the expense being included as part of exploration expenditure.

(o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all Board members to be involved in this process. The Board, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Foreign exchange risk

The Group has minimal operations internationally and there are currently limited exposures to foreign exchange risk arising from currency exposures.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements.

(ii) Price risk

Given the current level of operations, the Group is not exposed to price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents.

The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 0.75%. (2019: 1.15%). Balance subject to fixed rates is nil. Balance subject to variable rates is \$886,559 and balances subject to zero rates is nil.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All bank deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

As the Group does not presently have any trade debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

3. INCOME TAX

(a) Income tax expense

Current tax

Deferred tax

2020 \$	2019 \$
-	-
-	-
-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense

(2,830,304) (1,071,307)

Prima facie tax benefit at Australian tax rate of 27.5% (2019: 27.5%)

(778,333) (294,609)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Capital raising fees

(25,575) (25,575)

Non-deductible expenses

178,845 27,500

Other allowable expenditure

(1,145) (12,388)

Overseas projects income & expenses

392,647 49,009

Provisions

(894) (13,185)

(234,455) (269,248)

Tax effect of current year tax losses for which no deferred tax asset has been recognised

234,455 269,248

Income tax expense

- -

(c) Unrecognised deferred tax assets (i)

Capital raising costs

47,574 73,149

Revaluation of assets

157,633

Accruals & provisions

8,903

Carry forward tax losses

802,854 624,690

Gross deferred tax assets

1,016,964 697,839

(i) No deferred tax asset has been recognised for the above balance as at 30 June 2020 as it is not considered probable that future taxable profits will be available against which it can be utilised.

4. CURRENT - CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at bank & on hand	30,636	90,416
Cash – at call deposits (i)	848,769	3,120,343
	<u>879,405</u>	<u>3,210,759</u>

(i) At call deposits earn interest at floating rates based on daily bank deposit rates.

5. CURRENT - TRADE AND OTHER RECEIVABLES

Prepayments	-	-
GST receivables	46,767	13,319
Sundry debtors (i)	3,710	5,445
Exploration advances	7,154	34,955
	<u>57,631</u>	<u>53,719</u>

(i) Exploration advances & sundry debtors are non-interest bearing and have repayment terms between 30 and 60 days.

6. NON-CURRENT – FINANCIAL ASSETS

Financial assets at fair value through profit or loss:		
Listed Shares	715,945	620,695
	<u>715,948</u>	<u>620,695</u>

7. NON-CURRENT – DEFERRED EXPLORATION & EVALUATION EXPENDITURE

<i>Deferred exploration and evaluation – at cost (i)</i>		
Beginning of financial year/(period)	750,405	594,161
Exploration & evaluation costs for the year	926,651	334,457
Exploration & project due diligence costs written-off (ii)	(1,427,806)	(178,213)
End of financial year	<u>249,250</u>	<u>750,405</u>

(i) The Group has capitalised all costs associated with its 100% Crackerjack (Australia). The recoverability of the carrying amount of these exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(ii) The Group has fully impaired the capitalised costs associated with the Mambasa Project. The Company is currently seeking a joint venture partner to develop the Mambasa Project.

8. NON-CURRENT – PROPERTY PLANT & EQUIPMENT

	2020 \$	2019 \$
<i>Office Equipment – at cost (i)</i>		
Cost	59,940	59,940
Accumulated depreciation	(33,664)	(16,180)
Net book amount	<u>26,276</u>	<u>43,760</u>

Reconciliation

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial period.

Property, Plant & Equipment

Carrying amount at beginning of the year	43,760	25,731
Additions	-	30,000
Disposal	-	(1,391)
Depreciation	(17,484)	(10,580)
Carrying amount at end of the year	<u>26,276</u>	<u>43,760</u>

9. TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Current		
Trade payables (i)	64,449	58,768
Accruals and other payables (i)	33,680	37,024
	<u>98,129</u>	<u>95,792</u>

- (i) Trade and other payables amounts represent liabilities for goods and services provided to the Group with respect to the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of invoice date.

10. ISSUED CAPITAL

	Issue Price (\$)	2020 Number	2020 \$	2019 Number	2019 \$
Ordinary shares - fully paid		34,342,867	6,236,473	34,342,867	6,236,473
Total Share Capital		34,342,867	6,236,473	34,342,867	6,236,473

(a) Movements in share capital

Balance at beginning of year	34,342,867	6,236,473	34,342,867	6,236,473
Issued during the year:				
Vesting of Performance Rights	1,699,999	-	-	-
Balance at the end of year	36,042,866	6,236,473	34,342,867	6,236,473

(b) Ordinary Performance rights on issue for the year

There were no Performance Rights issued during the year.

As at 30 June 2020, there was no outstanding Performance Rights. Performance Rights were issued in prior year to directors, employees and/or key consultants of the Group, and for which there were three Class each with specific performance hurdles:

	Class A No.	Class B No.	Class C No.	Total No.
Opening – 1 July 2018	1,699,999	2,149,999	2,150,002	6,000,000
Closing – 30 June 2018	1,699,999	2,149,999	2,150,002	6,000,000
Vested during the period	(1,699,999)	-	-	-
Lapsed during the period	-	(2,149,999)	(2,150,002)	(6,000,000)
Closing – 30 June 2020	-	-	-	-

As at 30 June 2020, the Performance Rights have lapsed as the participants were no longer employed or contracted with the Company.

(c) Performance rights – Vesting Conditions

The Performance Rights shall vest upon satisfaction of the following milestones:

Class A - the Company achieving and maintaining a market capitalisation of \$12m or more for a continuous period of 30 days on or before 31 December 2021, and the vesting condition was met on 14 December 2017 and these Performance Rights were exercised during the year.

Class B - the Company achieving and maintaining a market capitalisation of \$18m or more for a continuous period of 30 days on or before 31 December 2021.

Class C - the Company achieving and maintaining a market capitalisation of \$24m or more for a continuous period of 30 days on or before 31 December 2021.

(d) Performance Rights Plan

The Incentive Performance Rights Plan, was approved by shareholders at the 2017 AGM, held in November 2017.

(e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2020 and 30 June 2019 are as follows:

	2020 \$	2019 \$
Cash and cash equivalents	879,405	3,210,759
Trade and other receivables	57,631	53,719
Trade and other payables	(98,129)	(95,792)
Working capital position	<u>838,907</u>	<u>3,168,686</u>

11. RESERVES & ACCUMULATED LOSSES

	2020 \$	2019 \$
(a) Reserves		
Share based payments reserve (i)	-	593,170
Movements:		
Share based payments reserve		
Balance at the beginning of the year	593,170	440,155
Share based payments (performance rights)	77,136	153,015
Share based payments lapsed (performance rights)	(670,306)	-
Balance as at the end of the year	-	593,170
(b) Accumulated losses - movements		
Balance at beginning of year	(2,246,097)	(1,174,790)
Net loss for the year	(2,830,305)	(1,071,307)
Share based payments lapsed (performance rights)	670,306	-
Balance at end of year	(4,406,096)	(2,246,097)

(c) Share based payments – performance rights expense for the period

	Class A	Class B	Class B	Class C	Class C
Number Issued (No.)	1,699,999	1,699,999	450,000	1,700,002	450,000
Grant Date	28-Sep-2017	28-Sep-2017	21-Dec-2017	28-Sep-2017	21-Dec-2017
Expiry/Amortisation Date	14-Dec-2017 ¹	31-Dec-2021	31-Dec-2021	31-Dec-2021	31-Dec-2021
Volatility percentage (%)	100%	100%	100%	100%	100%
Risk free rate (%)	1.5%	1.5%	1.5%	1.5%	1.5%
Underlying Fair Value on Grant (\$)	\$0.20	\$0.1112	\$0.3187	\$0.1007	\$0.2958
Total Fair Value (\$) – Life of Right	\$340,000	\$189,040	\$143,415	\$171,190	\$133,110
Total Fair Value (\$) – Expensed to 30 June 2020	-	\$22,340	\$17,927	\$20,231	\$16,638
					\$77,136

¹ The vesting condition achieved on 14 December 2017 and shares were issued on 9 August 2019 (Note 10 (d))

12. CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at reporting date.

13. COMMITMENTS

(a) Exploration commitments

The Group has certain commitments to meet minimum expenditure on the mineral assets it has an interest in or an option to earn an interest in.

Annual commitment Crackerjack Project – WA

Less than one year (i)

2020 \$	2019 \$
15,000	15,000

- (i) Okapi, through its wholly owned subsidiary Panex Resources WA Pty Ltd is the 100% owner of the tenement. In the current financial year, minimum expenditure commitments were not met. The Company has applied to the Department of Mines to seek relief to allow the Company to maintain 100% of the tenement size.
- (ii) During the year, the Company has contractual exploration commitments under the Mambasa Joint Venture Agreement ("Agreement") between the Company and Kalubamba SARL and Medidoc FZE. Since entering into this Agreement, Okapi has spent direct expenditures of \$229,592 (approximately USD\$172,194) in the Mambasa Project and enabled it to meet its Phase 1 contractual commitment of USD\$150,000. For Okapi to acquire a 70% in the Mambasa Project, it must next have exploration expenditure of up to USD\$500,000 on or before 30 June 2021 (Refer 14 (a)). As at 30 June 2020, Okapi has not met this commitment to earn 70% in the Mambasa Project and is currently seeking for a joint venture partner for the Mambasa Project.

14. INTEREST IN JOINT VENTURES

Mambasa Project – Democratic Republic of Congo ("DRC")

Since entering into the Mambasa Joint Venture Agreement, Okapi completed the Phase 1 minimum expenditure obligations, being USD \$150,000.

As at the date of this report, Okapi has commenced the Phase 2 stage but yet to complete the Phase 2.

Phase 2 – to acquire a 70% Interest in the Mambasa Project:

- (a) Okapi must fund as sole contributor an aggregate Expenditure of up to US\$500,000 before 30 June 2021;
- (b) produce a JORC compliant report outlining an indicated and inferred resource in excess of 500,000 ounces of gold at the Tenements (Resource 1); and
- (c) within 14 days of the announcement of **Resource 1** on the ASX:
 - (i) issue 1,000,000 fully paid ordinary shares to Kalubamba; and
 - (ii) pay US\$50,000 to Kalubamba.

- (a) within 14 days of the announcement of **Resource 2** on the ASX:
- (i) issue a further 1,000,000 fully paid ordinary shares to Kalubamba; and
 - (ii) pay a further US\$100,000 to Kalubamba.

To retain its 70% Interest and having completed obligations under Phases 1 and 2, Okapi must:

- (a) fund as sole contributor the production of a Definitive Feasibility Study on or before 31 December 2023; and
- (b) within 14 days of the delivery of the Definitive Feasibility Study to Okapi:
 - (i) issue 2,000,000 Okapi Shares to Kalubamba; and
 - (ii) pay US\$250,000 to Kalubamba.

Okapi is currently seeking a joint venture partner for the Mambasa Project.

15. DIVIDENDS

No dividends were paid or recommended for payment during the financial year.

16. REMUNERATION OF AUDITORS

	2020 \$	2019 \$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
(a) Audit services		
Butler Settineri (Audit) Pty Ltd - audit and review of financial reports		
- Statutory audit – Okapi Resources Limited	18,224	19,218
Total remuneration for audit services	18,224	19,218

17. RELATED PARTY TRANSACTIONS

(a) Parent entity

Okapi Resources Limited (ASX Code: OKR)

(b) Subsidiaries

Interests in subsidiaries are set out in note 18.

(c) Transactions with related parties

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated. As at reporting date the following amounts were payable to the directors of the Company and included to Trade and other creditors (Note 9)

	2020 \$	2019 \$
Mr. Jinju (Raymond) Liu	8,750	15,000
Mr. Nigel Ferguson	45,993	-
Mr. David Nour	3,146	-

18. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1(c):

Name	Country of Incorporation	Class of Shares	Equity Holding ¹	
			2020 %	2019 %
Panex Resources WA Pty Ltd	Australia	Ordinary	100	100

¹The proportion of ownership interest is equal to the proportion of voting power held.

19. STATEMENT OF CASH FLOWS

	2020 \$	2019 \$
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	(2,830,305)	(1,071,307)
Exploration expenditure capitalised	-	(156,244)
Exploration expenditure written off	1,230,838	-
Depreciation of non-current assets	17,484	10,580
Net loss on available for sale asset	573,210	100,000
Share based payments – performance rights	77,136	153,015
Change in operating assets and liabilities		
(Increase)/decrease in trade, other receivables and assets	3,242	25,847
Increase/(decrease) in trade and other payables	2,337	(36,770)
Net cash outflow from operating activities	(926,058)	(974,879)

(b) Non-cash investing and financing activities

There were no non-cash investing or financing transactions for the financial year.

20. LOSS PER SHARE

	2020 \$	2019 \$
(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating the loss per share	(2,830,305)	(1,071,308)
	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	35,857,074	34,342,867

21. EVENTS SUBSEQUENT TO REPORTING DATE

Mr Andrew Shearer was appointed as Executive Director of Okapi on 20 July 2020.

On 3 September 2020, the Company entered into a binding Farm-In Agreement with Lithium Australia NL on tenements in the Lake Johnston area, Western Australia. The tenements are located at the southern end of the Lake Johnston Greenstone Belt in central Western Australia.

In addition, Okapi has applied for an adjacent tenement, to cover a coincident structural and geochemical defined target. The area has been the focus of nickel and lithium exploration with limited follow up on the gold potential.

Farm-in Terms:

Okapi has entered into an agreement with Lithium Australia for the exclusive right to earn an undivided 75% interest in mineral rights, other than lithium, over the Maggie Hays tenements. The key terms are:

- Okapi will pay a \$20,000 deposit to secure the option and has 10 business days from the date of the Agreement to complete legal due diligence.
- Okapi has 30 days from the date of agreement to complete the technical due diligence. Upon satisfaction of the legal and technical due diligence, Okapi may exercise the option to proceed with the farm-in.
- Okapi will undertake a minimum expenditure of A\$150,000 on the tenements.
- Okapi will be entitled to earn a 75% interest in the Tenements by undertaking exploration expenditure of not less than \$1,200,000 (inclusive of the \$150,000 Minimum Expenditure) on the Tenements within 60 months of the date that the option is exercised.

If Okapi acquires the Farm-in Interest, Okapi must free carry Lithium Australia until completion of a definitive feasibility study.

Since the end of the financial year and to the date of this report, there is no other matter or circumstance has arisen other than disclosed above which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in the subsequent financial year.

22. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified one reportable operating segment being exploration activities undertaken in two geographical segments being Australasia and Africa. These segments include the activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the sole geographic location.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Group's accounting policies.

	Australasia		Africa		Consolidated Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Segment revenue	-	-	-	-	-	-
<i>Reconciliation of segment revenue to total revenue before tax:</i>						
Interest revenue	-	-	-	-	5,973	46,077
Segment results	-	-	(1,427,806)	(178,213)	(1,427,806)	(178,213)
<i>Reconciliation of segment result to net loss before tax:</i>						
Share based payments – performance rights	-	-	-	-	(77,136)	(153,015)
Other corporate and administration	-	-	-	-	(1,319,389)	(786,156)
Net loss before tax					(2,830,305)	(1,071,307)
Segment operating assets	249,250	244,351	-	541,009	249,250	785,360
<i>Reconciliation of segment operating assets to total assets:</i>						
Other corporate and administration assets					1,679,257	3,893,978
Total assets					1,928,507	4,679,338
Segment operating liabilities	-	242	-	2,332	-	2,574
<i>Reconciliation of segment operating liabilities to total liabilities:</i>						
Other corporate and administration liabilities					98,129	93,217
Total liabilities					98,129	95,791

In the directors' opinion:

- (a) the financial statements and notes set out on pages 21 to 44 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2020 and of their performance for the financial year ended on that date;
- (b) the audited remuneration disclosures set out on the pages 10 to 15 of the directors' report complies with section 300A of the Corporations Act 2001;
- (c) 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
- (d) a statement that the attached financial statements are in compliance with Australian Accounting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board.



Andrew Shearer
Director

30 September 2020
Perth, Western Australia

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OKAPI RESOURCES LIMITED**

Report on the Financial Report

Opinion

We have audited the financial report of Okapi Resources Limited (the Company) and its controlled entity ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its financial performance for the period then ended; and
- ii) comply with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Consolidated Entity 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements 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 date of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalised mineral exploration expenditure (refer note 7)</p> <p>The Group operates as an exploration entity and as such its primary activities entail expenditure focussed on the exploration for and evaluation of economically viable mineral deposits. These activities currently include the Mambasa Gold Project in DRC and the Crackerjack Gold Project in WA.</p> <p>All exploration and evaluation expenditure incurred has been capitalised and recognised as an asset in the Statement of Financial Position.</p> <p>The carrying value of capitalised mineral exploration assets is subjective and is based on the Group's intention and ability, to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.</p> <p>Share based payments – performance rights (refer notes 10 and 11)</p> <p>The Group has awarded performance rights to key management personnel and employees. The rights vest subject to the achievement of specific performance milestones.</p> <p>The Group used both the Black-Scholes and Binomial models in valuing the rights based on the milestones attaching to each tranche of rights awarded.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• ensuring the Group's continued right to explore for minerals in the relevant exploration areas including assessing documentation such as exploration and mining licences;• enquiring of management and the directors as to the Group's intentions and strategies for future exploration activity and reviewing budgets and cash flow forecasts;• assessing the results of recent exploration activity to determine whether there are any indicators suggesting a potential impairment of the carrying value of the asset;• assessing the Group's ability to finance the planned exploration and evaluation activity; and• assessing the adequacy of the disclosures made by the Group in the financial report. <p>Our audit procedures included;</p> <ul style="list-style-type: none">• assessing the assumptions used in the valuation of the performance rights;• assessing the recognition of the value of the performance rights;• assessing the accuracy of the share based payment expense for the year; and• assessing the adequacy of the disclosures made by the Group in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report for the period ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- For personal use only
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 10 to 15 of the directors' report for the period ended 30 June 2020.

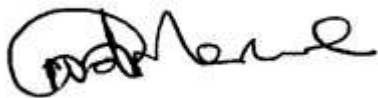
In our opinion, the Remuneration Report of Okapi Resources Limited, for the period ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth

Date 30 September 2020

(a) Shareholding

The distribution of members and their holdings of equity securities as at 25 September 2020 is as follows:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	15	2,733
1,001	-	5,000	80	250,624
5,001	-	10,000	87	762,799
10,001	-	100,000	187	6,087,377
100,001		and over	34	28,939,333
			403	36,042,866
The number of shareholders holding less than a marketable parcel of shares are:			47	63,031

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are as follows:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	Havelock Mining Investment Ltd	4,799,143	13.32
2	McNeil Nominees Pty Ltd	4,725,121	13.11
3	HSBC Custody Nominees (Australia) Limited	3,140,851	8.71
4	David Nour	3,054,846	8.47
5	Ridgeback Holdings Pty Ltd	2,654,901	7.37
6	JP Morgan Nominees Australia Pty Ltd	1,958,363	5.43
7	Windhager Holding AG	1,200,000	3.33
8	Colin Weekes	1,044,416	2.90
9	Kalubamba SARL	1,000,000	2.77
10	Medidoc FZE	1,000,000	2.77
11	Christopher Robert Cannon	475,000	1.32
12	Ironside Pty Ltd	430,000	1.19
13	Mark Gasson	400,000	1.11
14	Quid Capital Pty Ltd	330,029	0.92
15	Hongtze Group Ltd	300,000	0.83
16	Durgavallabh Superfund A/C	242,574	0.67
17	Buckingham Investment Financial Services Pty Ltd	235,000	0.65
18	Ayers Capital Pty Ltd	200,000	0.55
19	Granet Superannuation and Investment Services PL	180,000	0.50
20	Allen Despotov	173,000	0.48
		27,543,244	76.40

(c) Substantial shareholders

	Number of Shares
Havelock Mining Investment Ltd	4,799,143
McNeil Nominees Pty Ltd	4,725,121
David Nour	3,054,846
Ridgeback Holdings Pty Ltd	2,654,901

(d) On-Market Buy-back

There is no current on-market buy-back.

(e) Voting rights

The voting rights attaching to each class of equity securities are set out below:

(i) Ordinary shares

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(f) Application of Funds

During the financial year, Okapi Resources Limited confirms that it has used its cash and assets (in a form readily convertible to cash) in a manner which is consistent with the Company's business objectives.

(g) Corporate Governance

The Board of Okapi Resources Limited is committed to Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate with Shareholders. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report.

Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at <https://okapiresources.com/corporate-governance>.

(h) Tenement Schedule

Project/Location	Country	Tenement(s)	Percentage held/earning
Crackerjack	Australia	E80/4675	100%
Mount Day	Australia	E63/1805-1808	0% ¹
Mambasa Project	DRC	PE364 & PE480	0% ²

¹Okapi has executed a binding farm-in agreement with Lithium Australia NL to earn an undivided 75% interest in the tenements.

²Okapi has executed the Mambasa Joint Venture Agreement with Kalubamba SARL and Medidoc FZE which granted Okapi the right to earn a 70% interest in the Mambasa Project.