

# Quarterly Activities Report

## For the Quarter ended 31 December 2020

**ASX: OKR**

**29 January 2021**

**Issued shares**

44,970,075  
as at 31 December 2020

**Board of Directors**

*Andrew Shearer*  
Executive Director

*Rhoderick Grivas*  
Non-executive Chairman

*David Nour*  
Non-executive Director

*Raymond (Jinyu) Liu*  
Non-executive Director

**Company Secretary**

*Leonard Math*

**Registered Office**

London House,  
Level 3,  
216 St Georges Tce,  
Perth WA 6000

Phone: +61 8 6117 9338

**www.okapiresources.com**

**A.B.N. 21 619 387 085**

### Highlights

- **OKR entered an agreement to acquire 100% of the Enmore Gold Project, New England Fold Belt, north east New South Wales**
- **Enmore Gold Project hosts two advanced walk-up drill targets, Sunnyside & Bora, and a number of high-quality exploration targets**
- **Successful completion of \$2.5M placement to sophisticated investor at \$0.19 per share ensuring OKR has dedicated funds to immediately commence exploration**
- **Okapi Resources and Lithium Australia have amended and restated the Mount Day Farm-In Agreement to focus solely on tenement E63/1903**
- **Preparations are underway to commence drilling on the Enmore Project and additional soil surveys at the Mount Day Project**
- **In line with Okapi's stated strategic intent to develop a pipeline of projects, assessment of a number of opportunities continues**

**Okapi Resources Limited** (ASX: OKR, "Okapi", "Company") is pleased to report on activities completed during the 31 December 2020 quarter. Executive Director Andrew Shearer delivers an overview of Okapi's project package and outlook. See Video discussion at this link:

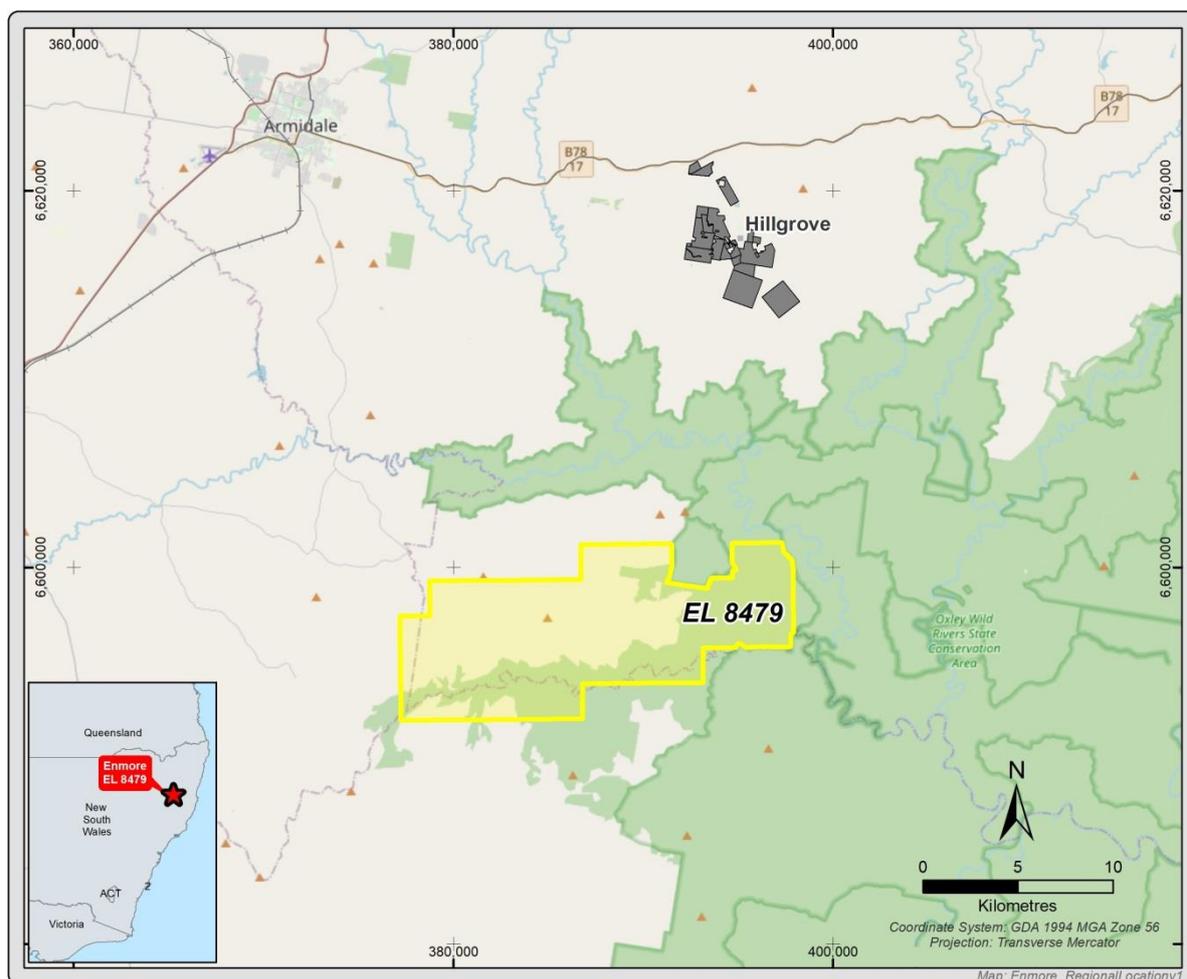
**<https://www.youtube.com/watch?reload=9&v=aZACjMVeKnE&feature=youtu.be>**

### Enmore Gold Project (NSW)

On 17<sup>th</sup> December 2020, Okapi entered into a binding heads of agreement with Providence Gold and Minerals Pty Ltd ("**Providence**") to acquire 100% of the Enmore Gold Project (EL8479) located in New South Wales ("**Acquisition Agreement**"). The Enmore Gold Project is located 30km SE of Armidale near the historic Hillgrove Antimony-Gold Mine in north eastern NSW (Figure 1). Subsequent to quarter end, the Company has decided to proceed with 100% acquisition of the Enmore Gold Project following successfully completed the due diligence.

The Enmore Gold Project ("**Enmore**") is underexplored and remains highly prospective for identifying potentially economic high-grade gold mineralisation on known prospects, and for discovering new mineralised areas on the 135km<sup>2</sup> exploration licence. Historic exploration at Enmore has largely focussed on the potential for locating and developing open-cut resources.

Okapi has conducted a preliminary due diligence of available data considering the underground potential. The Company is very encouraged by both the apparent high-grade potential, and the limited relevant systematic exploration testing of higher-grade gold reefs within the broader structural lodes.

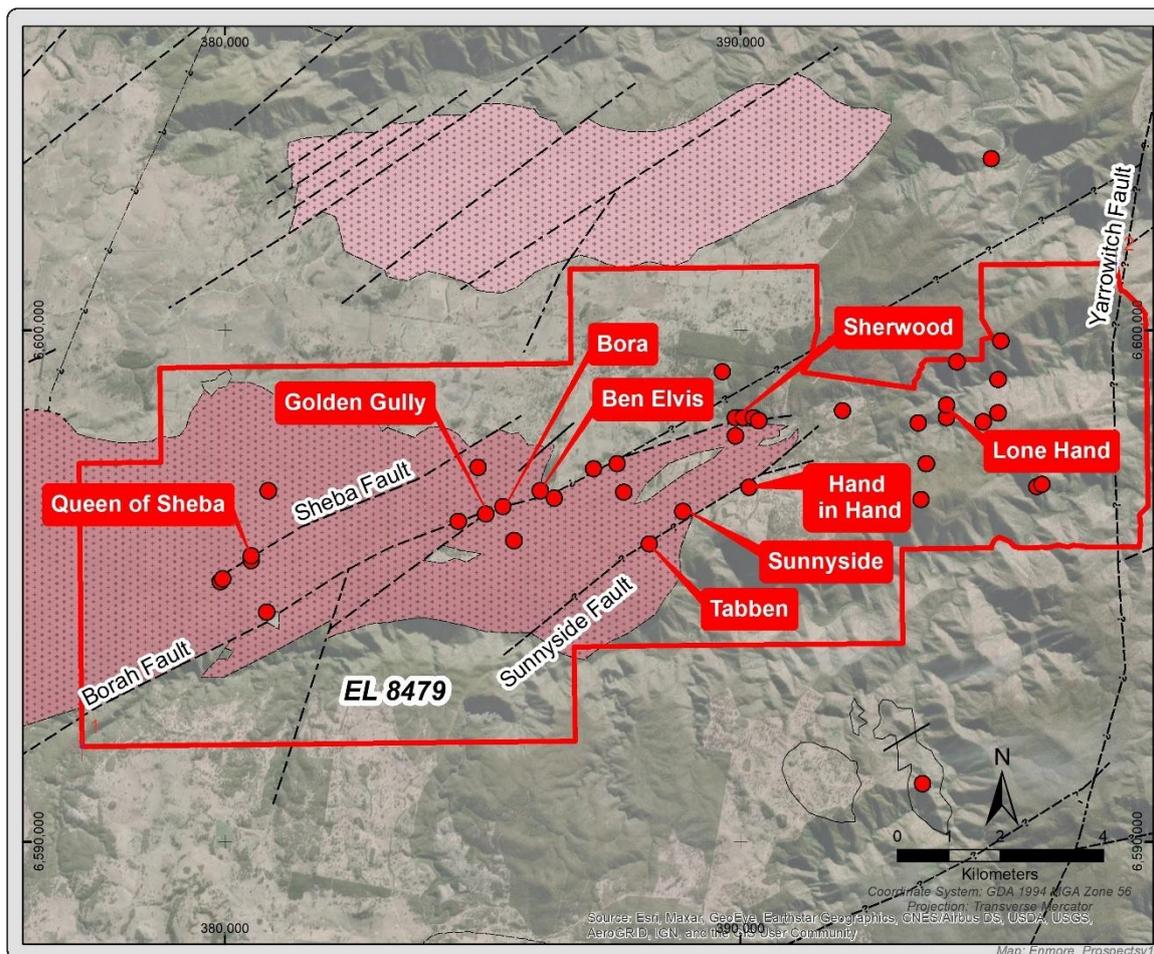


**Figure 1: Enmore Gold Project – Location Plan**

The mineral occurrences at Enmore comprise structurally controlled orogenic style gold ( $\pm$  antimony) mineralisation. Two primary mineralisation styles have developed throughout the duration of a long-lived hydrothermal system, analogous to the Hillgrove gold-antimony deposit:

- An early relatively low grade ductile silicified and sulfidic lode style mineralisation constrained within and generally parallel to mylonite zones formed on the major NE trending structures;
- A later and higher-grade mineralisation associated with brittle deformation in dilational and rheologically controlled shoots often oblique to but constrained within the mylonite zones.

Gold is present both as free gold and in solution with pyrite and possibly arsenopyrite. Gold occurrences associated with late dilational events generally have a higher proportion of free gold and significantly higher gold grades than the lode style structures.



**Figure 2: Enmore Gold Project – Local geology and prospects**

The main prospects on the Enmore goldfield (Bora Mine, Sherwood Mine, Sunnyside Mine) (Figure 2) are defined by the presence of continuous lode style mineralisation over strike extents of up to 600m. Getty Oil Development Company concluded that structural preparation of the fault corridors which host these known lode structures may be as extensive as 2.6km strike on the Borah Fault and 1.5km strike on the Sunnyside-Melrose Fault. There is potential for development of additional lodges within the structurally prepared fault corridors.

The deeper drilling at Enmore has been relatively wide-spaced and has not adequately accounted for the expected limited strike extent of high-grade shoots or their oblique orientation to the host lode structure. High gold grades associated with quartz veins and breccias are interpreted to represent dilational shoots and have been returned in several deeper holes, particularly at the Bora Mine where the peak result from drilling is 4m @ 20.6 g/t from 92m, including 1m @ 58.0 g/t (BSD5).

**Electrical geophysical techniques have been a missed opportunity**

The lode and vein mineralisation styles identified at Enmore are ideally suited to definition using systematic 3D electrical geophysics techniques and model inversions. Use of electrical targeting techniques at Enmore to date has been limited to several discrete grids of IP conducted in 1983.

Significant intersections at Sunnyside over a 400m strike include:

- 4m @ 11.94g/t Au from 0m in hole SP3B
- 20m @ 1.7g/t Au from 18m, inc 4m @ 4.4g/t Au in hole SP24E
- 2m @ 14.6g/t Au from 46m in hole SP13E
- 8m @ 3.0g/t Au from 0m, inc 2m @ 2.8g/t in hole SP4C

For personal use only

- 12m @ 1.9 g/t Au from 6m, inc 6m @ 2.4g/t Au in hole SP24C
- 10m @ 2.8g/t Au from 0m, inc 2m @ 6.2g/t Au in hole SP18B

Significant intersections at Bora include:

- 13m @ 7.1g/t Au, inc 4m @ 20.6 g/t Au in hole BSD5
- 14m @ 2.4g/t Au from 100m inc 8m @ 3.2g/t Au in hole BSP3
- 4m @ 6.0g/t Au from 90.7m, and 4m @ 4.2g/t from 102m in hole GR-B8
- 7m @ 4.6g/t Au from 15.5m, inc 4m @ 7.0g/t in BA\_L2 (Bora UG Level 2)
- 7m @ 4.1g/t Au from 65m inc 1m @ 9.6g/t Au in hole BSD1
- 2m @ 5.5g/t Au from 144.6m, inc 1m @ 9.3g/t Au in hole GR-B1
- 11m @ 2.3g/t Au from 14m in hole BMP4

Three major NE trending structures associated with gold mineralisation and historical workings have been identified over a 2.6km strike extent (Figure 2). Widespread occurrences of high-grade gold in rock chip sampling including 74.1g/t Au, 56g/t Au, 41g/t Au and 26g/t Au. Historic sampling of underground workings and trenches returned up to: 0.45m @ 234g/t Au, 0.91m @ 21g/t Au, 0.76m @ 23g/t Au, 0.45m @ 33g/t Au, 1.52m @ 16g/t Au, 3m @ 15g/t Au.

Refer to the ASX announcement dated 17<sup>th</sup> December 2020 titled "**Okapi to Acquire Enmore Gold Project and Raises \$2.5M**" for further details of the Enmore Gold Project.

## Mount Day Project (Western Australia)

### (Farm-In to earn 75%)

On 3<sup>rd</sup> 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.

During the quarter, Okapi has entered into an Amended and Restated binding Farm-In Agreement with Lithium Australia NL which now focus solely on tenement E63/1903. The revision allows Okapi to focus on the high priority gold targets and reduce expenditure commitments.

The Amended Agreement key terms are:

- Okapi has the exclusive right to earn a 75% interest in mineral rights, other than lithium, over tenement E63/1903 only;
- Okapi will undertake a minimum expenditure of A\$100,000 on tenement E63/1903 within 2 years from the execution date of the Amended Agreement ("**Minimum Expenditure**");
- Okapi will be entitled to earn a 75% interest in tenement E63/1903 by undertaking exploration expenditure of not less than \$800,000 (inclusive of the \$100,000 Minimum Expenditure) on the Tenements within 48 months from the execution date of the Amended Agreement;
- If Okapi earns the Farm-in Interest, Okapi must free carry Lithium Australia until completion of a mine plan which is accepted by the Department of Mines, Industry Regulation and Safety as being in compliance with the Mining Law.

Tenement E63/1903 is located at the southern end of the Lake Johnston Greenstone Belt in central Western Australia. The belt hosts the Mount Holland Gold Mine (Wesfarmers, ASX:WES) and Lake Johnston nickel mines (Poseidon Nickel, ASX:POS). The Project is located ~10km from the Maggie Hays and Emily Ann underground nickel mines and also the Windy Hill accommodation village owned by Poseidon Nickel (ASX:POS) (Figure 2).

In addition, Okapi has applied for an adjacent tenement (E63/2039), 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.

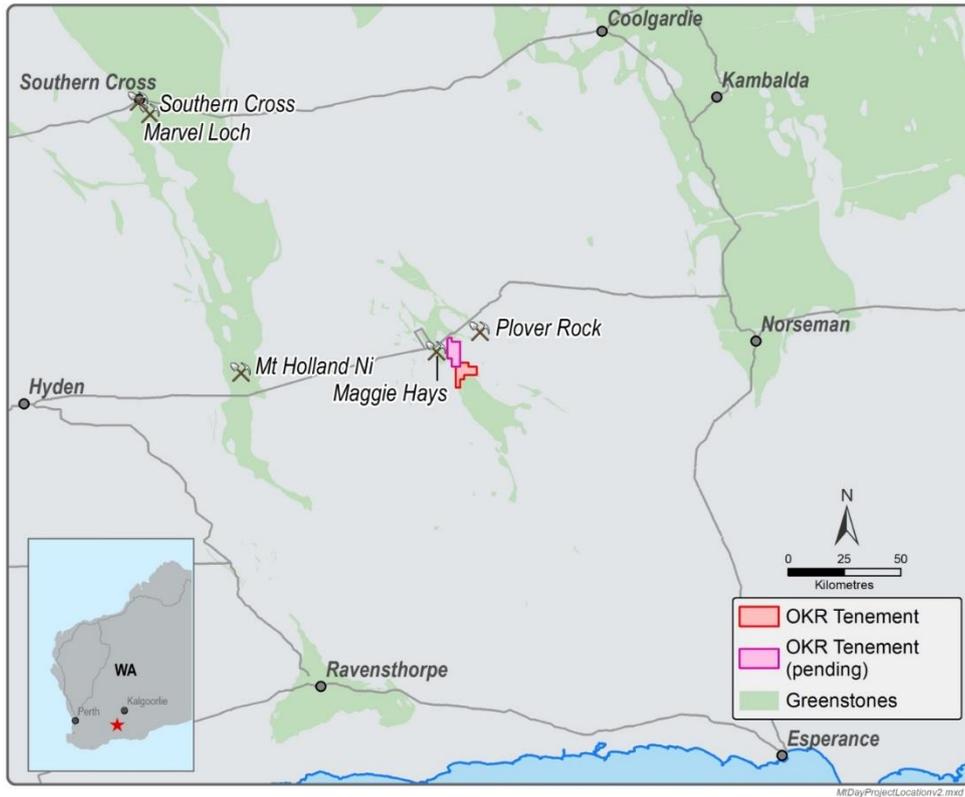
At the Mount Day Project, Okapi has identified a high priority structural target from the magnetics, that is coincident with anomalous gold in a soil anomaly over a 10km strike length (Figure 3). Limited historical drilling near the main target area reported gold mineralisation, including LJPC004 (RC): 26-28m 2m @ 11.04 g/t gold and LJPC0058 (RC): 71-74m, 3m @ 1.74 g/t.

*For full details and JORC Table 1,2 please refer to ASX announcement dated 3<sup>rd</sup> September 2020 titled "**Okapi enters into WA Gold Project**".*

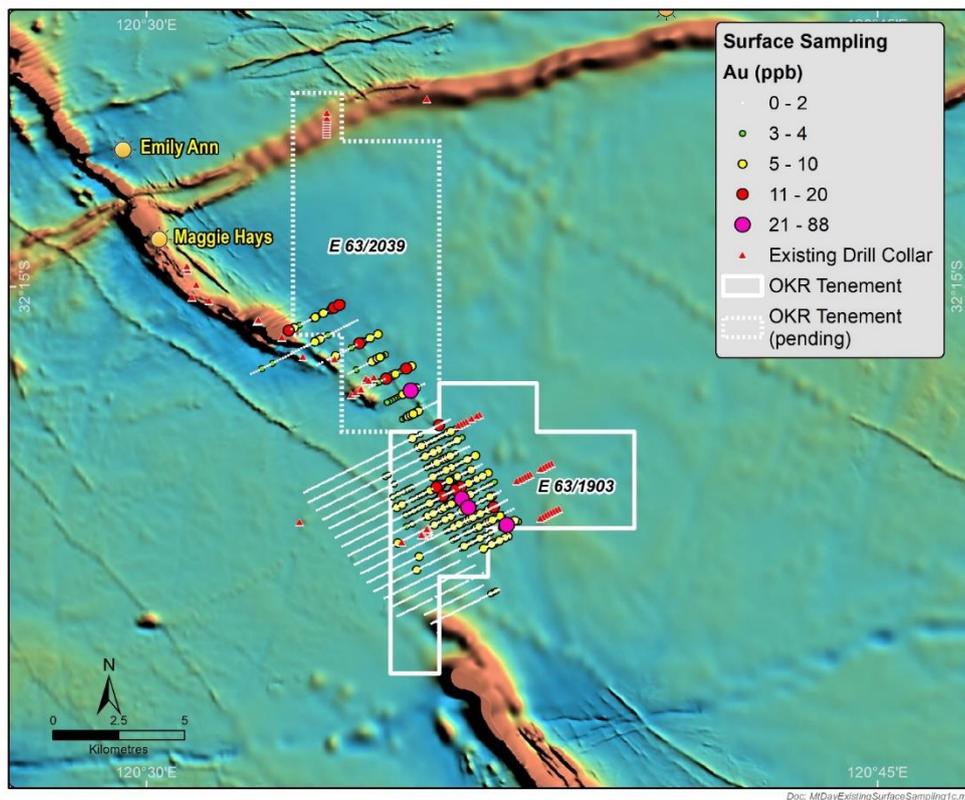
From the data review undertaken by Okapi, the historical drilling appears to have targeted outcropping material and historical workings, with the main geochemical target not drilled tested.

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 focused on old workings and not on the main gold in soils trend, presenting an opportunity for Okapi. Historical drilling appears to have been focused on rock chip results and not the adjacent soil anomaly.

For personal use only



**Figure 3. Mount Day Project location**



**Figure 4. Anomalous gold zone from open file data**

Drilling results from drilling undertaken by LionOre in 2003 include:

LJPC004 (RC): 26-28m, 2m @ 11.04 g/t Au

LJPC005 (RC): 26-27m, 1m @ 1.64 g/t Au

LJPC0058 (RC): 71-74m, 3m @ 1.74 g/t Au

LJPC0094 (RC): 52-59m, 3m @ 0.88 g/t Au, including 1m @ 1.48 g/t Au from 56m

LJPD0105 (DD): 43.85-44.15m, 0.3m @ 1.14 g/t Au

In addition to the gold opportunity the region hosts nickel deposits in the same geological sequence present in the Mount Day Project. Okapi has completed a comprehensive review of historical data and currently waiting for the results from the infill soil sampling program to accelerate target definition at the Mount Day Project, targeting both gold and nickel.

During the quarter, a soil sampling survey was undertaken at the Mount Day Project. The soil survey was designed to infill the current 800m and 400m spaced survey lines to better define drilling targets.

### Crackerjack Project and Mambasa Project

During the quarter ended 31 December 2020, no exploration activity was conducted in the Company's Crackerjack Project (E80/4675) and the Mambasa Project in the Democratic Republic of Congo. The Crackerjack Project is located in the southern Halls Creek Mobile Belt, approximately 85 km southwest of Halls Creek, along the eastern edge of the Kimberley Craton in the Kimberley Goldfields of Western Australia.

On 24<sup>th</sup> December 2020, Okapi has given a 30 days notice to Kalubamba SARL to withdraw from the Mambasa Project Joint Venture. Okapi has yet to earn in any interest in the Mambasa Project and from the results obtained from the exploration activities conducted, the Board has decided not to further pursue interest in this project and focus on the Enmore Gold Project and Mt Day Project.

### Corporate

On 17<sup>th</sup> December 2020, Okapi advised that it has successfully received commitments for a placement of fully paid ordinary shares ("**New Shares**") to eligible sophisticated and professional investors, to raise A\$2.5 million (before costs) ("**Placement**").

Subject to shareholders approval, the following Board of Directors will be participating in the Tranche 2 Placement.

|                  |                        |          |
|------------------|------------------------|----------|
| Rhoderick Grivas | Chairman               | \$20,000 |
| Andrew Shearer   | Executive Director     | \$20,000 |
| David Nour       | Non-Executive Director | \$19,000 |

The Placement will comprise an issue of 13,157,895 New Shares at an issue price of \$0.19 per New Share with one (1) free attaching Option for every one (1) New Share subscribed. The Options have an exercise price of \$0.30 each expiring two (2) years from the date of issue.

The Placement will be conducted in two (2) tranches with the first Tranche Placement of 8,927,209 New Shares (A\$1.7 million) to be issued under the Company's existing placement capacity afforded under ASX Listing Rule 7.1 and 7.1A. The first Tranche Placement was completed on 24<sup>th</sup> December 2020.

The Company will seek shareholders' approval for the issue of the second Tranche Placement and the free attaching options.

PAC Partners Security Pty Ltd acted as Lead Manager to the offer and will be issued 1,500,000 Options exercisable at \$0.30 each expiring 2 years from the date of issue ("Broker Options"). The issue of the Broker Options is subject to shareholders' approval.

Funds raised will be used to acquire and progress the Enmore Gold Project, exploration on the Mt Day Project and for general working capital.

#### **Summary of Cashflow for the Quarter**

Okapi held cash reserves at end of quarter of approximately \$2.696 Million and investment in listed entities currently valued at approximately \$0.315 Million.

During the quarter, a total amount of approximately \$67,000 (as shown in 6.1 of Appendix 5B) was paid to directors and officers which includes consulting fees and superannuation payments. These payments were paid in accordance with the directors' and officer's contracts.

The following payments were also spent on exploration and evaluation activities during the quarter:

- \$25,000 payment as part of the acquisition cost for the Enmore Gold Project;
- \$90,000 (capitalised and expensed) on exploration and evaluation activities including geological consulting services and GIS mapping services.

This release was authorised by Andrew Shearer, Executive Director of Okapi Resources Limited.

#### **For further information please contact:**

**Andrew Shearer**  
Executive Director  
**Okapi Resources Ltd**  
T: 08 6117 9338

**Leonard Math**  
Company Secretary  
**Okapi Resources Ltd**  
T: 08 6117 9338  
E: leonard.math@okapiresources.com

#### **COMPETENT PERSON**

The information in this report that relates to Exploration Results is based on information collected by the Company and compiled from DMIRS open file reports system, WAMEX and reviewed by Mr Rhoderick Grivas. Mr Grivas is a member of The Australasian Institute of Mining and Metallurgy 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 Grivas consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## Tenement Holdings and Movements

### Schedule of Mining Tenements and Beneficial Interests Held as at the end of the December 2020 Quarter

| Project/Location | Country   | Tenement | Percentage held/earning |
|------------------|-----------|----------|-------------------------|
| Crackerjack      | Australia | E80/4675 | 100%                    |

### Schedule of Mining Tenements and Beneficial Interests Acquired during the December 2020 Quarter

| Project/Location | Country | Tenement | Granted Date |
|------------------|---------|----------|--------------|
| Nil              |         |          |              |

### Schedule of Mining Tenements and Beneficial Interests Disposed of during the December 2020 Quarter

| Project/Location | Country | Tenement | Withdrawal Date |
|------------------|---------|----------|-----------------|
| Nil              |         |          |                 |