



OKAPI
R E S O U R C E S

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2020

ABN 21 619 387 085

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Enmore Gold Project (NSW)

On 17th December 2020, Okapi announced it has 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 in north eastern NSW, near the recently recommissioned Hillgrove Antimony-Gold Mine (Figure 1). Subsequent to the half year, 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 135km² exploration licence. Historic exploration at Enmore has largely focussed on the potential for locating and developing open-cut resources, leaving the exploration potential for deeper gold occurrences largely untouched.

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.

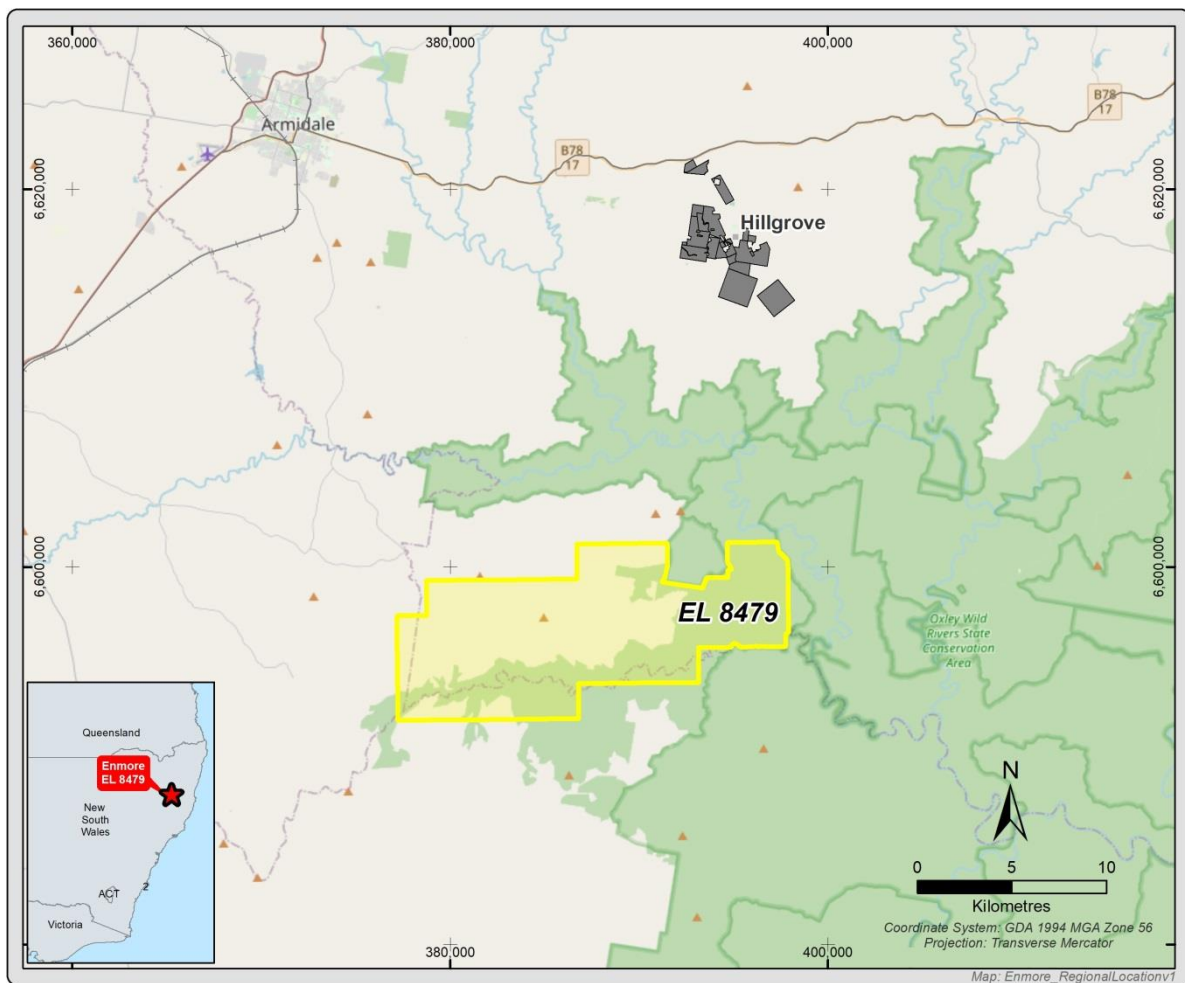


Figure 1: Enmore Gold Project – Location Plan

The mineral occurrences at Enmore comprise structurally controlled orogenic style gold 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 sulphides. 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.

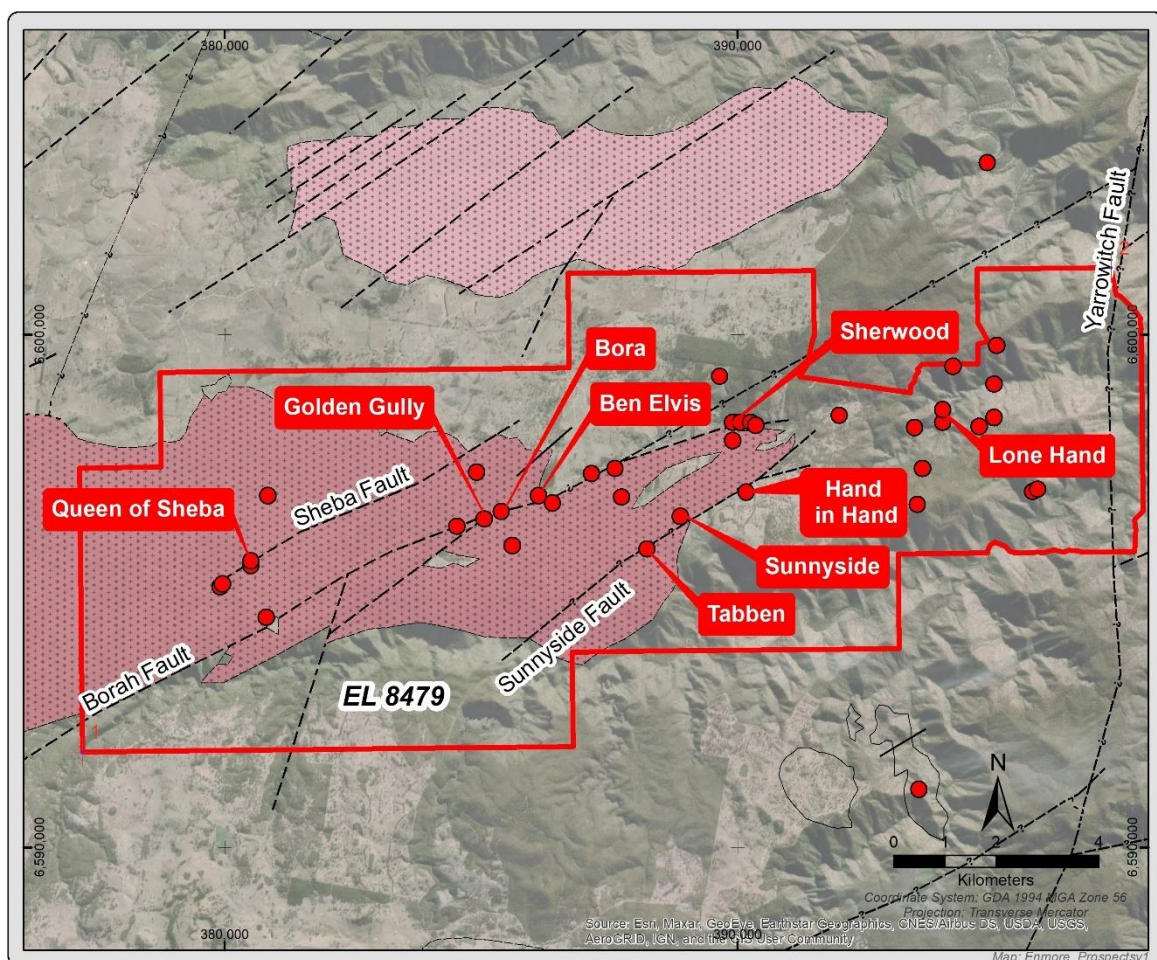


Figure 2: Enmore Gold Project – Local geology and prospects

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. Historic exploration by the 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 length on the Borah Fault and 1.5km strike length on the Sunnyside-Melrose Fault. There is potential for development of additional lodes 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 the Sunnyside Prospect over a 400m strike length include:

- o 4m @ 11.94g/t Au from 0m in hole SP3B
- o 20m @ 1.7g/t Au from 18m, inc 4m @ 4.4g/t Au in hole SP24E
- o 2m @ 14.6g/t Au from 46m in hole SP13E
- o 8m @ 3.0g/t Au from 0m, inc 2m @ 2.8g/t in hole SP4C
- o 12m @ 1.9 g/t Au from 6m, inc 6m @ 2.4g/t Au in hole SP24C
- o 10m @ 2.8g/t Au from 0m, inc 2m @ 6.2g/t Au in hole SP18B

Significant intersections at the Bora Prospect include:

- o 13m @ 7.1g/t Au, inc 4m @ 20.6 g/t Au in hole BSD5
- o 14m @ 2.4g/t Au from 100m inc 8m @ 3.2g/t Au in hole BSP3
- o 4m @ 6.0g/t Au from 90.7m, and 4m @ 4.2g/t from 102m in hole GR-B8
- o 7m @ 4.6g/t Au from 15.5m, inc 4m @ 7.0g/t in BA_L2 (Bora UG Level 2)
- o 7m @ 4.1g/t Au from 65m inc 1m @ 9.6g/t Au in hole BSD1
- o 2m @ 5.5g/t Au from 144.6m, inc 1m @ 9.3g/t Au in hole GR-B1
- o 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 17th December 2020 titled “Okapi to Acquire Enmore Gold Project and Raises \$2.5M” for further details of the Enmore Gold Project.

Mount Day Project (Option to earn in to 75% interest)

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.

In December 2020, an Amended and Restated binding Farm-In Agreement was entered into with Lithium Australia NL which now focuses 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 of the agreement 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 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 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 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.

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. The main target at the Mount Day Project straddles the Okapi tenement application and the Farm-In tenement.

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 date 3rd 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 focussed on old workings and not on the main gold in soils trend, presenting an opportunity for Okapi. Historical drilling appears to have been focussed on rock chip results and not the adjacent soil anomaly.

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.

Tenement Application E63/2039

Okapi has applied for tenement ELA63/2039 (Figure 3) to cover the regional structure and anomalous gold in soil anomaly. The tenement contains the historical Maggie Hays Hill gold workings; which consist of two lines of SE-trending historical gold workings, hosted in sheared amphibolites and minor felsic units. These are amongst the only historical gold workings in the belt, and have therefore been the focus for gold exploration programmes with drilling located near the outcropping material. The anomalous gold in soil zone sits adjacent to the workings but has not been drill tested.

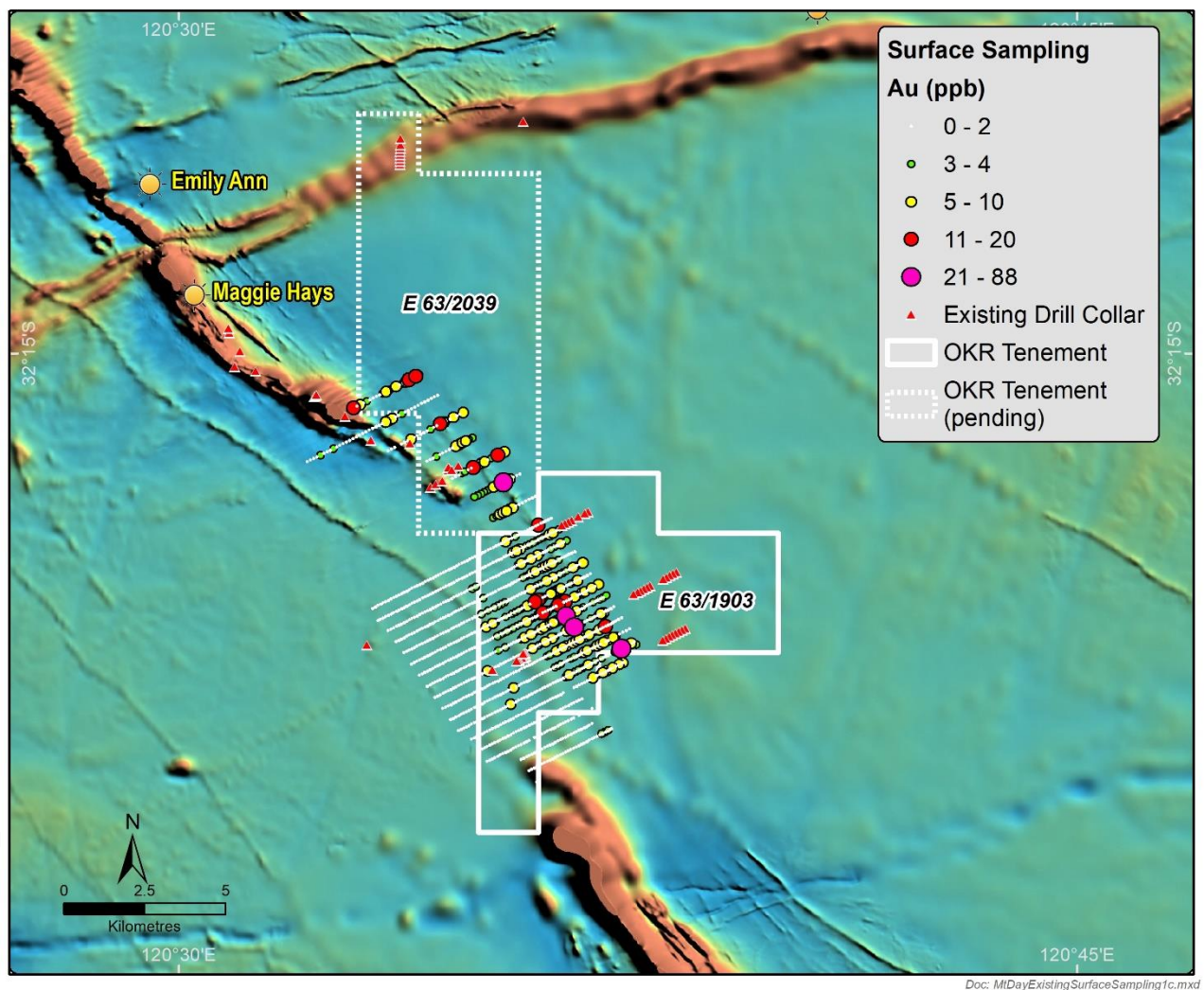


Figure 3. Anomalous gold zone from open file data

The 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.

During the half year period, the Company has withdrawn from the Mambasa Joint Venture Agreement by giving 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.

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.

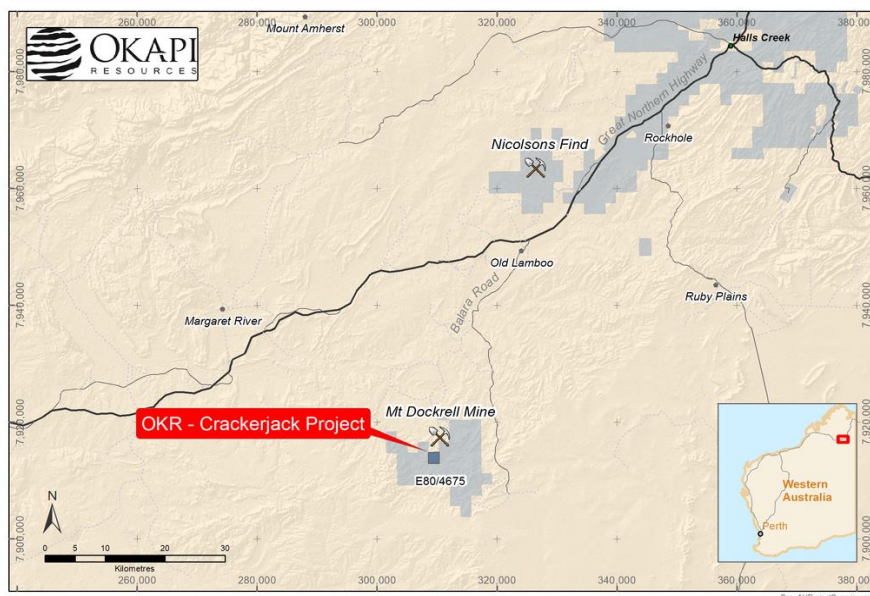


Figure 4: Location Map of the Crackerjack Project

Previously, Okapi 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

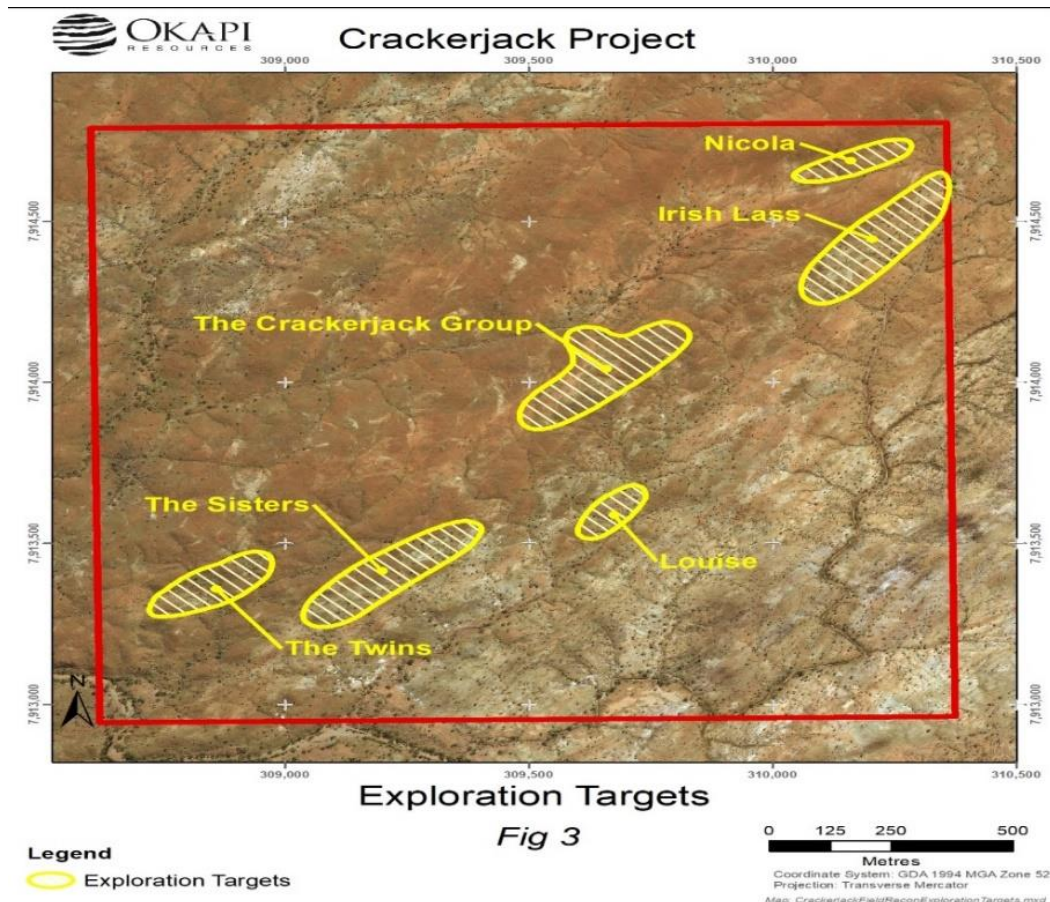


Figure 5: Crackerjack Project Prospectivity Locality Map

No exploration was conducted during the half year period.

CORPORATE

In July 2020, the Company appointed Mr Andrew Shearer as Executive Director of Okapi.

Andrew 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. Andrew is currently a Non-Executive Director of ASX listed Andromeda Metals Limited, Investigator Resources Limited and Resolution Minerals Limited.

On 17th December 2020, Okapi 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 24th 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.

In line with Okapi's stated strategic intent to develop a pipeline of projects, assessment of a number of opportunities continues.

Competent Person Statement

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.

The information in this report that relates to Exploration Results on Mount Day Project 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 information in this report that relates to geology, exploration results and exploration targets on Enmore Gold Project is based on information compiled from the GSNSW DIGS open file reports system and reviewed by Mr Paul Dale, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Dale is employed by HarLin Consulting Pty Ltd, an independent consultancy firm engaged by Okapi to conduct due diligence on the Enmore Gold Project. Mr Dale has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dale consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Your directors submit their report on the consolidated financial statements of Okapi Resources Limited ("Okapi" or the "Company") and the entities it controlled (the "Group") at the end of, or during, the half-year ended 31 December 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:

Andrew Shearer – Executive Director (Appointed 20 July 2020)
Rhoderick Grivas – Non-executive Chairman (Appointed 30 June 2020)
David Nour – Non-executive Director
Raymond Liu - Non-executive Director

COMPANY SECRETARY

Leonard Math – Company Secretary

PRINCIPAL ACTIVITIES

The Company is in the business of mineral exploration with a specific focus on gold exploration. The Company'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 has also been actively reviewing additional projects or mineral resources investment opportunities that would create wealth for the Group and its shareholders.

FINANCIAL REVIEW

The Group result for the financial period ended 31 December 2020 was a loss after tax of \$140,347 (2019: \$1,611,308).

EARNINGS PER SHARE

The basic loss per share for the period ended 31 December 2020 was 0.39 cents (2019: 4.52 cents).

LIKELY DEVELOPMENTS

Okapi'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

On 20 July 2020, Mr Andrew Shearer was appointed as Executive Director.

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

SUBSEQUENT EVENTS

Other than disclosed above, no 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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 31 December 2020 has been received and forms part of the Directors' report and can be found on page 12 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the Directors.



Andrew Shearer
Executive Director

15 March 2021
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Okapi Resources Limited for the half year ended 31 December 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 review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Okapi Resources Limited and the entities it controlled during the half year ended 31 December 2020.

BUTLER SETTINERI (AUDIT) PTY LTD



MARCIA JOHNSON CA
Director

Perth
Date: 15 March 2021

Okapi Resources Limited
Consolidated Statement of Comprehensive Income
For the period ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue			
Interest income		107	5,389
Profit from sale of listed investments		242,347	-
Expenditure			
Audit fees		(7,686)	(4,224)
Compliance expenses		(22,771)	(24,313)
Corporate expenses		(25,249)	(54,892)
Depreciation		-	(8,766)
Director fees		(121,279)	(203,322)
Consultants		(29,773)	(35,037)
Share based payments		-	(77,136)
Exploration expenses		(2,736)	(105,657)
Occupancy		-	(27,633)
Promotional & website		(23,570)	(59,432)
Administration		(32,139)	(62,363)
Impairment		-	(729,683)
Foreign exchange losses		-	(13,308)
Fair value adjustment to financial asset		(117,599)	(210,931)
Loss before income tax		(140,347)	(1,611,308)
Income tax expense		-	-
Loss after income tax from continuing operations		(140,347)	(1,611,308)
Other Comprehensive income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Total comprehensive income for the year		(140,347)	(1,611,308)
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)	7	0.39	4.52

The accompanying notes form part of these consolidated financial statements

	Note	31 Dec 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,695,151	879,405
Trade and other receivables		61,295	57,631
Total current assets		2,756,446	937,036
Non-current assets			
Financial assets at fair value through profit or loss	3	270,958	715,945
Deferred exploration & evaluation	2	396,012	249,250
Property, plant & equipment		-	26,276
		666,970	991,471
Total assets		3,423,416	1,928,507
LIABILITIES			
Current liabilities			
Trade and other payables		149,609	98,129
Total current liabilities		149,609	98,129
Total liabilities		149,609	98,129
Net assets		3,273,807	1,830,378
Equity			
Issued capital	5(a)	7,820,250	6,236,474
Accumulated losses		(4,546,443)	(4,406,096)
Total equity		3,273,807	1,830,378

The accompanying notes form part of these consolidated financial statements

2020

	Issued Capital	Share- based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<i>Opening Balance – 1 July 2020</i>	6,236,474	-	(4,406,096)	1,830,378
Loss for the period	-	-	(140,347)	(140,347)
<i>Total comprehensive income for the period</i>	-		(4,546,443)	1,690,031
Shares issued during the period (Note 5(b))	1,696,170	-	-	1,696,170
Share issue costs	(112,394)	-	-	(112,394)
<i>Balance as at 31 Dec 2020</i>	7,820,250	-	(4,546,443)	3,273,807

2019

	Issued Capital	Share- based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<i>Opening Balance – 1 July 2019</i>	6,236,473	593,170	(2,246,097)	4,583,546
Loss for the period	-	-	(1,611,308)	(1,611,308)
<i>Total comprehensive income for the period</i>	-		(1,611,308)	(1,611,308)
Share based payments – performance rights issued	-	77,136	-	77,136
<i>Balance as at 31 Dec 2019</i>	6,236,473	670,306	(3,857,405)	3,049,374

The accompanying notes form part of these consolidated financial statements

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities			
Interest received		107	5,389
Payments to suppliers and employees		(292,873)	(625,134)
Net cash outflows from operating activities		(292,766)	(619,745)
Cash flows from investing activities			
Payments for purchase of minerals tenements rights		(45,000)	(729,683)
Payment for equity investments		-	(668,460)
Proceeds from sale of equity investments		569,736	-
Net cash outflows from investing activities		524,736	(1,398,143)
Cash flows from financing activities			
Proceeds from share issue (net of cost)		1,583,776	-
Net cash inflows from financing activities		1,583,776	-
Net (decrease) increase in cash and cash equivalents held		1,815,746	(2,017,888)
Cash and cash equivalents at the beginning of the period		879,405	3,210,759
Cash and cash equivalents at the end of the period		2,695,151	1,192,871

The accompanying notes form part of these consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Okapi Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, the Group adopted the following Accounting policies:

Principles 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 31 December 2020 and the results of all subsidiaries for the period. 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.

(i) Subsidiaries (continued)

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.

(ii) 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.

Classification of financial assets at fair value through profit or loss

The Group classifies its equity based financial assets at fair value through profit or loss upon adoption of AASB 9. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. Changes in the fair value of financial assets are recognised in other gains/(losses) in the consolidated statement of comprehensive income as applicable.

These accounting policies are consistent with Australian Accounting Standards.

Standards and Interpretations applicable to 31 December 2020

In the half-year ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2020.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

2. DEFERRED EXPLORATION & EVALUATION

	31 December 2020 \$	30 June 2020 \$
Non-current		
Deferred exploration & evaluation – at cost	<u>396,012</u>	<u>249,250</u>
<i>Movement for the period</i>		
Beginning of financial period	249,250	750,405
Acquisition cost of mining tenements rights	45,000	-
Exploration and evaluation costs for the period (i)	101,762	926,561
Exploration & project due diligence costs written-off	-	(1,427,806)
End of the financial period	<u><u>396,012</u></u>	<u><u>249,250</u></u>

- (i) The Group has capitalised all costs associated with its 100% Australian project - Crackerjack Project, Mount Day Project, Maggie Hays Project and the Enmore Gold Project. 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.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2020 \$	30 June 2020 \$
<i>Financial assets at fair value through profit or loss</i>		
Listed Shares	270,958	715,945
	<u>270,958</u>	<u>715,945</u>

- (i) *Classification of financial assets at fair value through profit or loss*

The Group classifies its equity based financial assets at fair value through profit or loss upon adoption of AASB 9. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. Changes in the fair value of financial assets are recognised in other gains/(losses) in the statement of profit or loss as applicable.

- (ii) *Amounts recognised in profit or loss*

Changes in the fair values of financial assets at fair value have been recorded through profit or loss, representing a net loss of \$117,599 for the period.

4. FAIR VALUE MEASUREMENT

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
December 2020				
Listed equity securities	270,958	-	-	270,958
Fair value at 31 December 2020	<u>270,958</u>	<u>-</u>	<u>-</u>	<u>270,958</u>

5. ISSUED CAPITAL

	31 December 2020 \$	30 June 2020 \$
(a) Share capital		
44,970,075 ordinary fully paid shares (June 2020: 36,042,866)	<u>7,820,250</u>	<u>6,236,473</u>
	31 December 2020	
	Number of shares	\$
(b) Movements in share capital for the financial period		
<i>Balance at beginning of the financial period</i>	36,042,866	6,236,473
<i>Issued during the period:</i>		
Placement at \$0.19 per share (net of costs)	8,927,209	1,583,777
<i>Balance at end of the financial period</i>	<u>44,970,075</u>	<u>7,820,250</u>

(c) Ordinary Performance rights on issue for the half-year

There were no Performance Rights issued during the year.

As at 31 December 2020, there was no outstanding Performance Rights.

6. SEGMENT INFORMATION

The Group is organised into one operating segment, being exploration in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

Geographical information

All non-current assets are based in Australia.

7. LOSS PER SHARE

	December 2020 \$	December 2019 \$
<i>(a) Reconciliation of earnings used in calculating loss per share</i>		
Loss attributable to the owners of the company used in calculating basic and diluted loss per share	140,347	1,611,308
<i>(b) Weighted average number of shares used as the denominator</i>		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	36,382,488	35,666,109
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)	<u>0.39</u>	<u>4.52</u>

8. SUBSEQUENT EVENTS

Other than disclosed above, no 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.

In the directors' opinion:

1. the financial statements and notes set out on pages 13 to 21 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Okapi Resources Limited will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board.


Andrew Shearer
Director

15 March 2021
Perth, Western Australia

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

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Okapi Resources Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Consolidated Entity is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated financial position of the Consolidated Entity as at 31 December 2020 and of its consolidated financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's responsibilities for the review of the half year 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 annual financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

Directors' responsibility for the half year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether in order to state whether anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its financial performance and its cash flows for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BUTLER SETTINERI (AUDIT) PTY LTD

A handwritten signature in dark ink, appearing to read 'M. Johnson', is written over a faint, larger signature that appears to read 'Butler Settineri'.

MARCIA JOHNSON CA
Director

Perth
Date: 15 March 2021