



FINANCIAL REPORT
For the half year ended
31 December 2022

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Contents

	Page
Review of Operations	2
Directors' Report	10
Auditor's Independence Declaration	13
Condensed Consolidated Statement of Comprehensive Income	14
Condensed Consolidated Statement of Financial Position	15
Condensed Consolidated Statement of Changes in Equity	16
Condensed Consolidated Statement of Cash Flows	17
Notes to the Condensed Consolidated Financial Statements	18
Directors' Declaration	28
Audit Review Report to the Members	29

United States Uranium Projects

Tallahassee Uranium Project, Colorado, USA

The Tallahassee Uranium Project has a total JORC Mineral Resource of 49.8 million pounds (42.0Mt @ 540ppm U_3O_8 using a 250ppm cut-off grade) and is located within the prolific Tallahassee Uranium District.

During the half year, the Company acquired a strategic 51% option interest in the Hansen and Picnic Tree uranium deposits in Colorado, to increase its Tallahassee Project JORC Resource by 81% to 49.8 million pounds of U_3O_8 and increased the grade by 10% to 540ppm U_3O_8 .

In May 2022, Okapi also received approval from the Colorado Division of Reclamation, Mining and Safety (DRMS) to drill up to 18,200m in 60 drill holes at its Taylor-Boyer deposit, to progress that prospect towards a development decision. The permit is valid through to 31 December 2027.

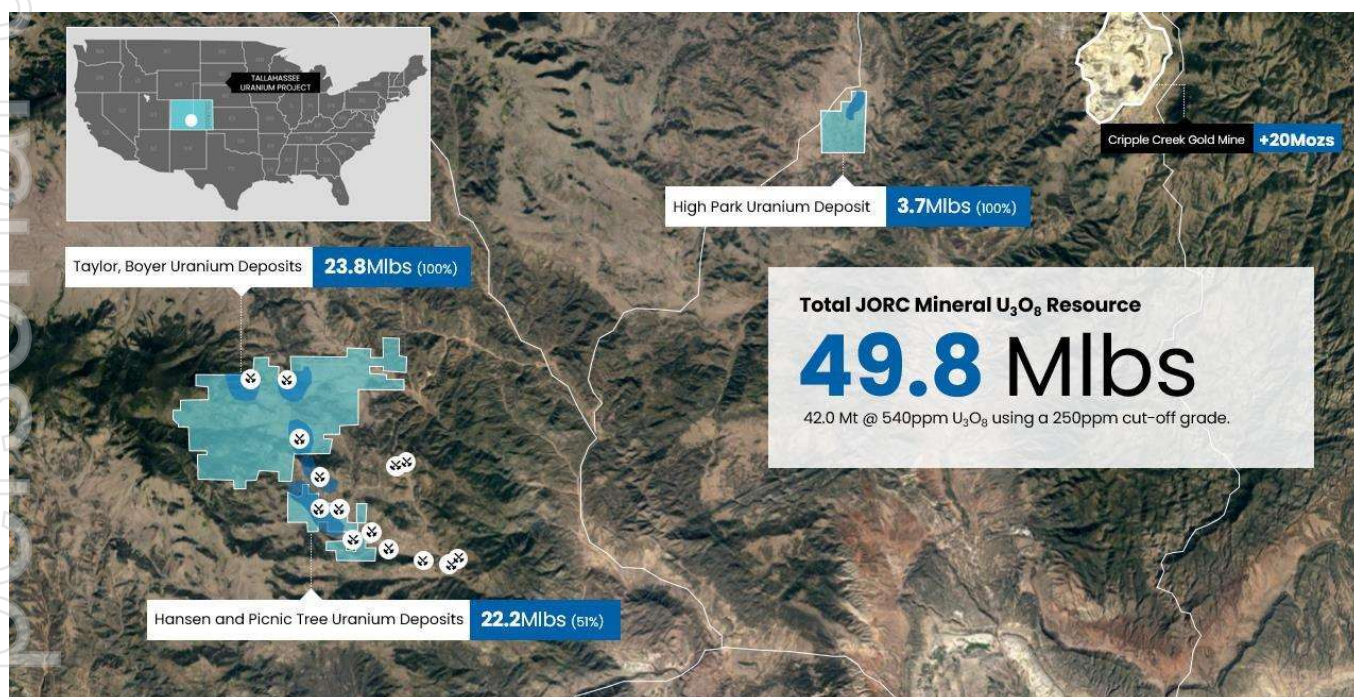


Figure 1. Tallahassee Uranium Project located in central Colorado, USA, approximately 140km southwest of Denver and 30km northwest of Canon City.

Rattler Uranium Project, Utah, USA

Located within the La Sal Uranium District, Utah, Okapi's Rattler Uranium Project includes the historical Rattlesnake and Sunnyside uranium mines and is 85km north of White Mesa's Uranium/Vanadium mill – the only operating conventional uranium mill in the USA.

Okapi has approval for a 100-hole reverse circulation exploration drill program at Rattler to test the extent and nature of the uranium mineralisation historically mined at the Rattlesnake Mine. High-grade rock chip assays returned values up to 1.24% U_3O_8 (12,400ppm) with 15 of the 28 samples collected reported values of greater than 1,000ppm U_3O_8 . Vanadium assay results from 18 of the 28 same rock chip samples have reported values greater than 5,000 ppm V_2O_5 (0.5% V_2O_5)¹ with some samples returning values up to 12.5% V_2O_5 (124,772ppm).

The company did not conduct any exploration activity at the Rattler Uranium Project during the period.

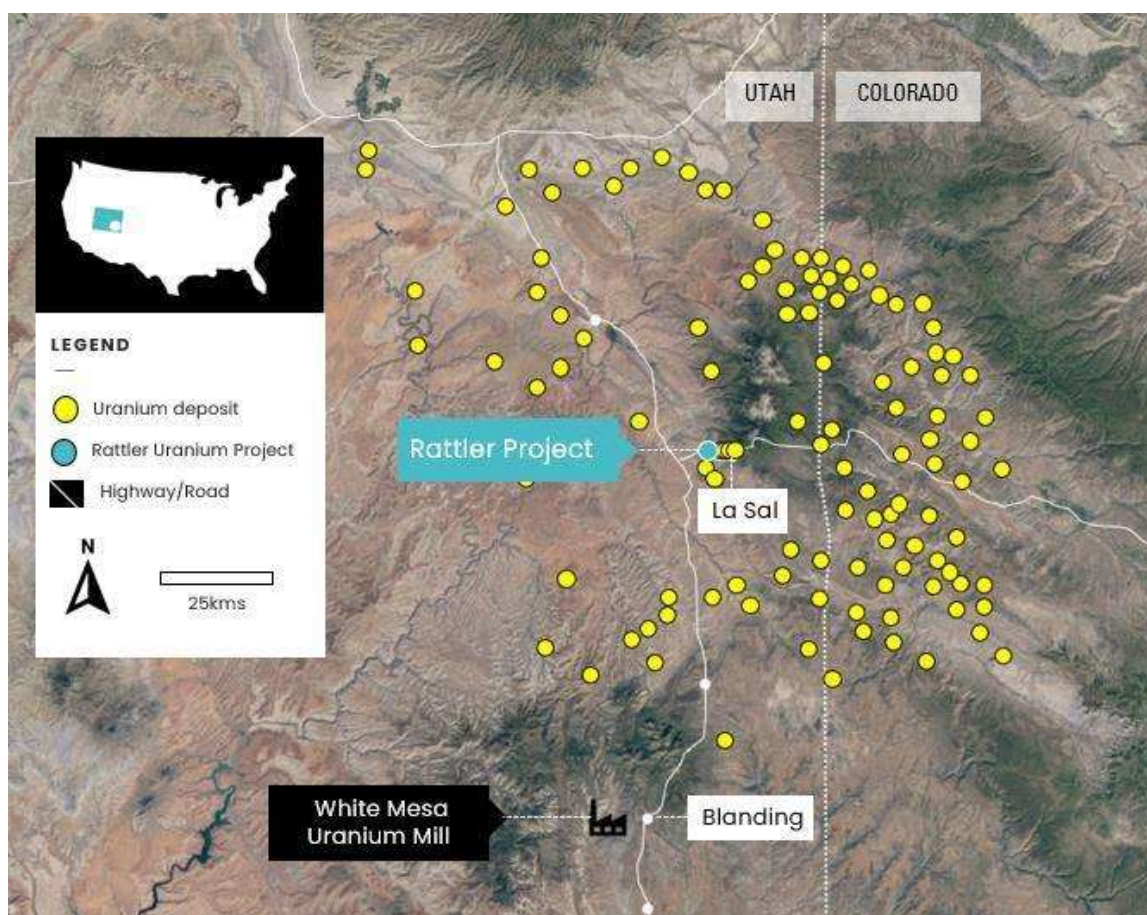


Figure 2. The Rattler Uranium Project is located within La Sal Uranium District, Utah.

¹"Rattler Vanadium-Uranium Project" prepared by North American Mine Services, February 2021, 12 pages, unpublished.

Maybell Uranium Project, Colorado, USA

The Maybell Uranium Project is in a recognised uranium district with historical production of 5.3 million pounds of uranium (average grade 1,300ppm²).

Okapi acquired the Maybell Uranium Project in Colorado in February 2022 with the staking of 468 unpatented mining claims, covering 3,600 hectares. In January 2023, post period end, Okapi announced the acquisition of a further 45 mining claims and a Colorado State Mineral Lease for Maybell in addition to an extensive historical database of significant geological data (including drill logs), mine and operational data which will fast track project assessment.

The Company also reported positive assay results from 21 rock samples collected in 2022, with five samples having values greater than 1,000 ppm U₃O₈ including up to 45,100ppm (4.51%) U₃O₈ and 687ppm Molybdenum. Okapi has engaged BRS Engineering to undertake a high-level study to identify the potential around the Maybell Uranium Project. BRS Engineering have significant experience in the uranium industry, including direct experience at the Maybell Project when it was operating.

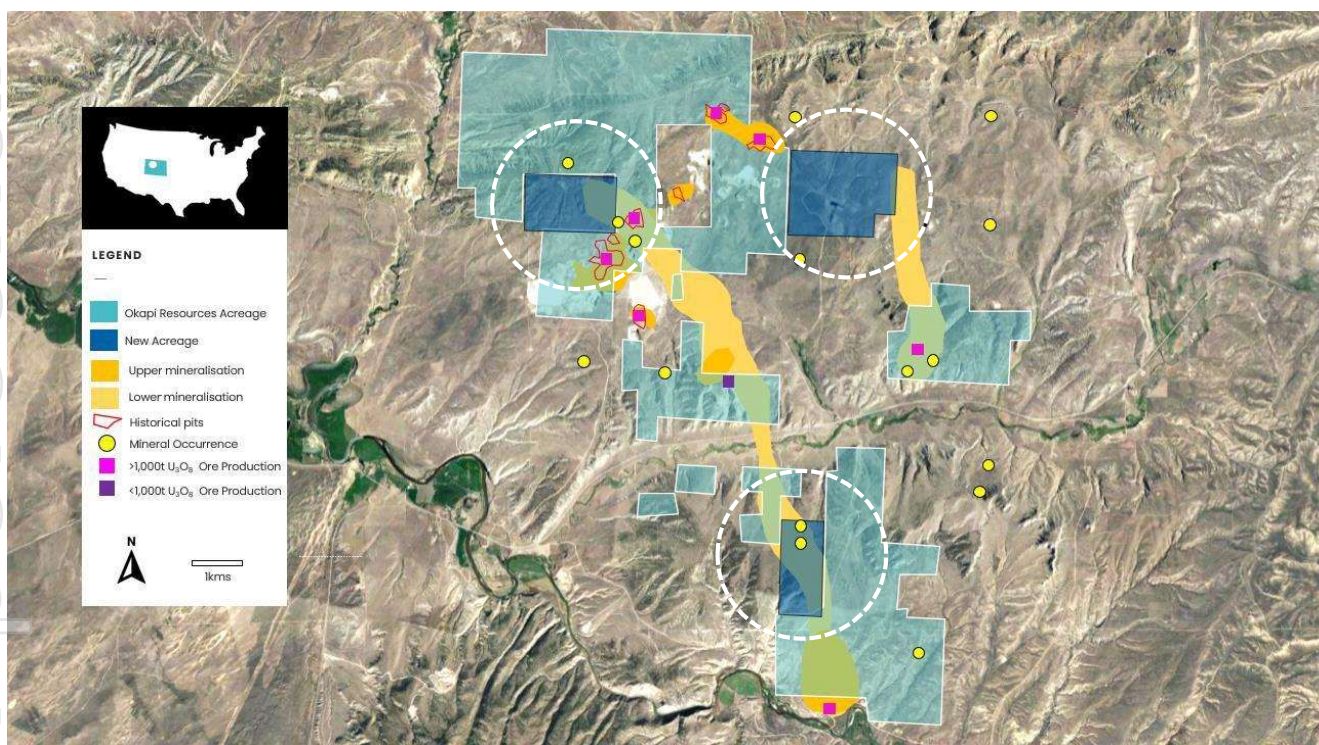


Figure 3. Location of Maybell Uranium Project in north-western Colorado, USA showing new acreage acquired in January 2023.

² Rocky Mountain Association of Geologists (1986) article titled "Geology and Production History of the Uranium Deposits in the Maybell, Colorado Area" from W. L. Cheneoweth.

Athabasca Uranium Projects

Saskatchewan, Canada

Okapi has six advanced exploration tenements located in Canada's Athabasca Basin, the world's premier high-grade uranium district responsible for 20% of global supply. The Athabasca Basin is home to the world's largest and highest-grade uranium mines including Cameco's McArthur River and Cigar Lake uranium mines.

During the period, Okapi completed a summer exploration program at its Newnham Lake and Perch projects in the Athabasca Basin. The program consisted of prospecting, outcrop, and boulder sampling, as well as ground radiometric survey measurements, combined with satellite analysis which was completed earlier in 2022. Several favourable structural scenarios suitable for hosting uranium mineralisation were identified. In November 2022, Okapi announced it had lodged applications with the Government of Saskatchewan for permits for a comprehensive diamond drilling campaign for up to 40 holes over 5,000m of drilling at the sites identified. The permits for Newnham and Perch Projects are expected to be granted for a period of 18 months.

Historically at Newnham Lake, drilling has encountered multiple intercepts with grades between 1,000ppm U_3O_8 and 2,000ppm U_3O_8 in relatively shallow historical drilling within a 25km conductive trend.³

Historical exploration at the Perch Project has highlighted a prospective 4km long conductive trend. Two holes have been drilled into the trend with one of those holes returned 498ppm U_3O_8 and anomalous Cu Ni-Zn, pathfinder elements for uranium mineralisation.

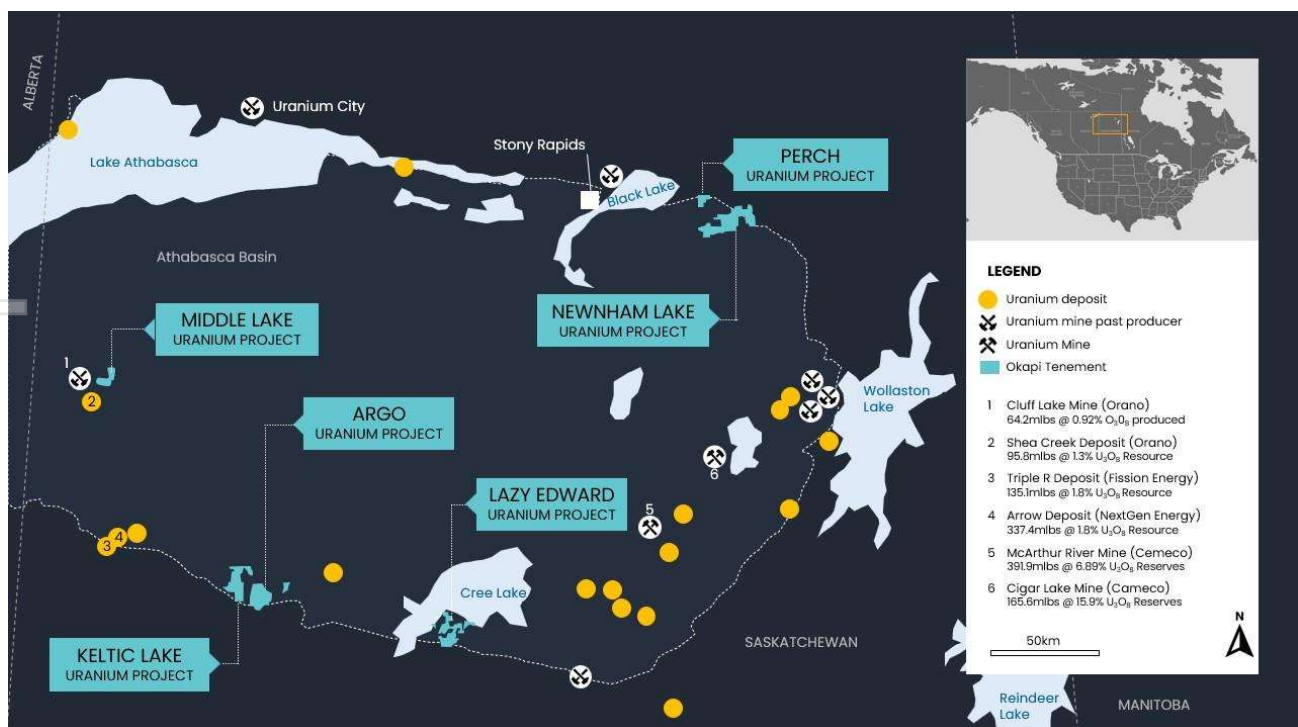


Figure 4. Athabasca Portfolio located within the world's premium uranium district.

³ Refer Newnham Lake 2017 Core Relogging and Sampling Program Report, July 2020.

Resource Statement

Tallahassee Uranium Project

JORC 2012 Resource Estimate as at the date of this report

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes (000)	Grade U ₃ O ₈ (ppm)	Lbs U ₃ O ₈ (000)	Tonnes (000)	Grade U ₃ O ₈ (ppm)	Lbs U ₃ O ₈ (000)	Tonnes (000)	Grade U ₃ O ₈ (ppm)	Lbs U ₃ O ₈ (000)	Tonnes (000)	Grade U ₃ O ₈ (ppm)	Lbs U ₃ O ₈ (000)
Hansen & Picnic Tree	-	-	-	7,309	640	10,360	9,277	580	11,874	16,586	610	22,234
Taylor & Boyer	-	-	-	7,641	520	8,705	14,869	460	15,172	22,513	480	23,877
High Park	2,451	550	2,960	24	590	30	434	770	734	2,907	580	3,724
Total	2,451	550	2,960	14,976	580	19,095	24,580	510	27,780	42,007	540	49,835

Notes: Calculated applying a cut-off grade of 250ppm U₃O₈. Numbers may not sum due to rounding. Grade rounded to nearest 10ppm. **Numbers reported are 51% of the Hansen/Picnic Tree due to ownership agreements.

Tabulation of Resources Referenced

Deposit	Owner	Status	Category	Tonnes	U3O8 lbs	Grade	Cut-Off	Criteria	Source
Cluff Lake	Orano	Past-Producer	-	-	64,200,000	0.92	-	Actual Production	Technical Report on the Shea Creek Property, Northern Saskatchewan, with an Update Mineral Resource Estimate, UEX Corporation May 31, 2013
Shea Creek	Orano (51%) UEX Corp. (49%)	Deposit	Inferred	1,272,200	28,192,000	1.01	0.30%	NI 43-101 Compliant	Technical Report on the Shea Creek Property, Northern Saskatchewan, with an Update Mineral Resource Estimate, UEX Corporation May 31, 2013
			Indicated	2,067,900	67,663,000	1.48			
			Measured	-	-	-			
			TOTAL	3,340,100	95,855,000	1.30			
Arrow	NexGen Energy Ltd.	Deposit	Inferred	4,399,000	80,700,000	0.83	0.25%	NI 43-101 Compliant	Arrow Deposit, Rook I Project, Saskatchewan, NI 43-101 Technical Report on Feasibility Study, February 22, 2021
			Indicated	1,572,000	47,100,000	1.36			
			Measured	2,183,000	209,600,000	4.35			
			TOTAL	8,154,000	337,400,000	1.87			
Triple R	Fission	Deposit	Inferred	1,221,000	32,810,000	1.22	0.25%	NI 43-101 Compliant	Fission Uranium Website: https://fissionuranium.com/projects/triple-r-deposit/project-overview/
			Indicated	2,216,000	102,360,000	2.10			
			Measured	-	-	-			
			TOTAL	3,437,000	135,170,000	1.79			
Cigar Lake	Cameco	Production	Proven Reserves	268,700	103,800,000	17.53	N/A	Posted Proven and Probable Reserves as at 31 Dec 2020	Cameco Website: https://www.cameco.com/businesses/uranium-operations/Canada/cigar-lake/reserves-resources
			Probable Reserves	203,200	61,700,000	13.78			
			TOTAL	471,900	165,600,000	15.92			
McArthur River	Cameco	Production on Hold	Proven Reserves	2,041,000	320,200,000	7.12	N/A	Posted Proven and Probable Reserves as at 31 Dec 2020	Cameco Website: https://www.cameco.com/businesses/uranium-operations/Canada/cigar-lake/reserves-resources
			Probable Reserves	540,000	71,700,000	6.02			
			TOTAL	2,581,000	391,900,000	6.89			

Deposit	Owner	Status	Category	Tonnes	U3O8 lbs	Grade	Cut-Off	V2O5 lbs	V2O5 Grade	Criteria	Source
La Sal Project	Energy Fuels	Production on Hold	Inferred	167,829	3,732,000	0.10	0.10%	1,901,000	0.51	NI 43-101 Compliant	Technical Report on La Sal District Project (including the Pandora, Beaver and Energy Queen Projects), San Juan County, Utah, USA March 25, 2014.
			Indicated	119,476	367,000	0.14		1,930,000	0.73		
			Measured	915,350	3,732,000	0.19		19,596,000	0.97		
			TOTAL	1,202,655	4,460,000	0.17		23,427,000	0.88		

Australian Mineral Project

Enmore Gold Project

The Enmore Gold Project is located in the New England Fold Belt, approximately 30km south of the regional centre of Armidale in northern New South Wales (Figure 5). The Hillgrove Gold Mine (ASX:RVR) is approximately 20km north of Enmore and has produced over 730,000oz of gold.

During the period, results from a seven-hole drilling program demonstrated Enmore's potential as an emerging high-grade gold project. Drill holes OKDD001-007 included significant gold mineralisation, with drillhole OKDD003 intersecting 28m @ 2.03 g/t Au from 191m, including 5m @ 2.93 g/t Au from 195m.

This drill program at the Sunnyside Prospect has indicated that the higher-grade gold mineralisation appears to continue increasing with depth and remains open down plunge. (Refer to ASX announcement dated 27 September 2022 and 27 October 2022)

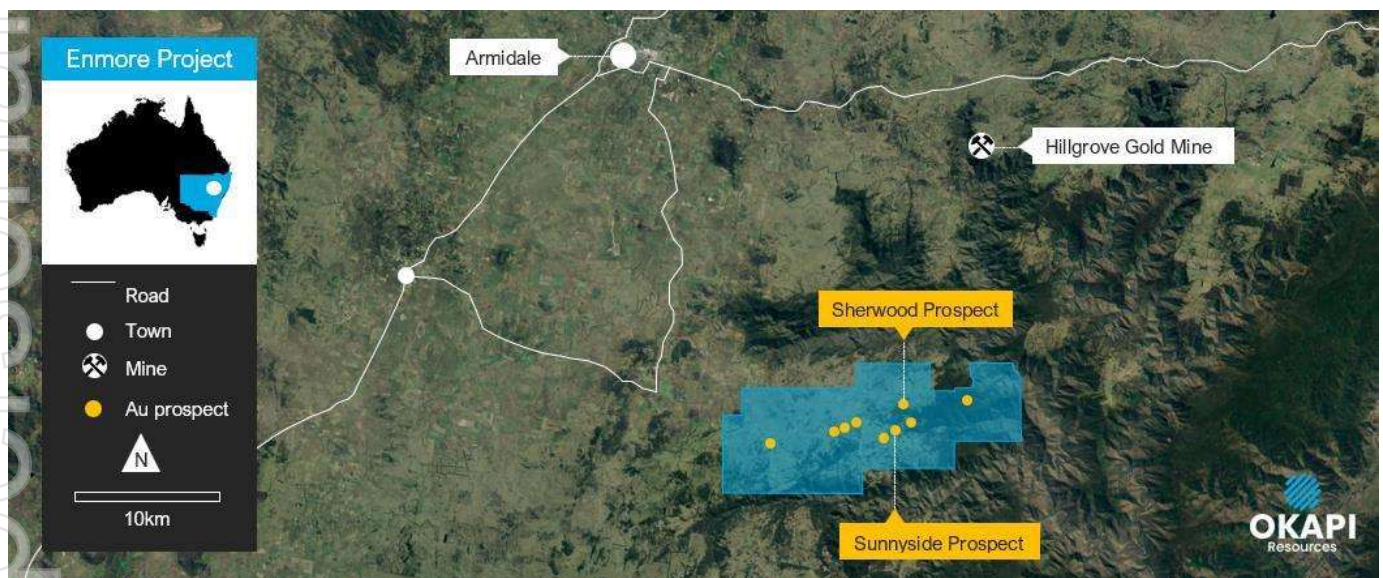


Figure 5. The Enmore Gold Project is located in the New England Fold Belt, and shows similar geological characteristics to the Hillgrove Gold Mine (ASX:RVR) which has produced over 730,000oz of gold.

Competent Persons Statement

The information in this announcement that relates to the Mineral Resources for the Tallahassee Uranium Project is based on information compiled by Ms. Kira Johnson who is a Qualified Professional member of the Mining and Metallurgical Society of America, a Recognized Professional Organization (RPO) for JORC Competent Persons. Ms Johnson compiled this information in her capacity as a Senior Geological Engineer of Tetra Tech. Ms Johnson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Kira Johnson consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears

The information in this announcement that relates to database compilation and exploration results at the Tallahassee Uranium Project, in particular, Section's 1 and 2 of Table 1 in Appendix 2, and geology, exploration results, historic Mineral Resource estimates for other projects is based on information reviewed by Mr Ben Vallerine. Mr Vallerine is a shareholder and Technical Director of Okapi Resources Limited. Mr Vallerine is a member of The Australian Institute of Geoscientists. Mr Vallerine has sufficient experience that is relevant to the style of mineralisation under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves". Mr Vallerine consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement of 7 April 2022 titled "Agreement Executed to Acquire 51% of High Grade Hansen Uranium Deposit – JORC Resource Increased 81% to 49.8 Mlb U₃O₈". The Company confirms that all material assumptions and technical parameters underpinning the estimates in the 7 April 2022 announcement continue to apply and have not materially changed.

The information in this announcement that relates to exploration results at the Athabasca Projects and Enmore Gold Project are based on information reviewed by Mr Ben Vallerine. Mr Vallerine is a shareholder and Director of Okapi Resources Limited. Mr Vallerine is a member of The Australian Institute of Geoscientists. Mr Vallerine has sufficient experience that is relevant to the style of mineralisation under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves". Mr Vallerine consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

ASX Announcement references:

5 January 2023 – Okapi Further Consolidates Maybell Uranium Project
21 November 2022 – Termination of Farm-In Agreement
2 November 2022 – Drill permits lodged for Newnham Lake and Perch Athabasca
31 October 2022 – Okapi Announces Successful Completion of \$2M Placement
27 October 2022 – More Significant Assay Results at Enmore Gold Project
12 October 2022 – Exploration in Athabasca Identifies Priority Drill Targets
27 September 2022 – Excellent Drill Results at Enmore Gold Project
22 August 2022 – Revised Terms of Sale of Lake Johnston Project
22 July 2022 – Drilling Update – Enmore Gold Project
12 July 2022 – Okapi completes acquisition of 51% interest in Hansen
7 April 2022 – Okapi to acquire Hansen Deposit – Resource increased by 81%

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

Corporate

Investment in Ubaryon Uranium Enrichment Technology

In January 2023, Okapi announced it has entered into a binding agreement to acquire a 19.9% interest in Ubaryon Pty Ltd, a private Australian company which is developing and commercialising a unique uranium enrichment technology. The total consideration will be A\$3.1 million for the initial 19.9% interest, with the potential to increase to 21.9% subject to a successful completion of a share buyback by Ubaryon from its existing shareholders. The transaction is expected to complete by the end of March 2023.

Lake Johnston Project

During the half year, the Company sold tenement E63/2039 to Nordau Pty Ltd for a cash consideration of \$70,000 and the issue of three different classes of performance shares worth up to \$1,050,000 with performance milestones. (*Refer to ASX announcement dated 24 May 2022 titled "Sale of Lake Johnston Project"*)

In November 2022, Okapi terminated its Farm-in agreement with Charger Metals NL (ASX:CHR) surrendering its interest in the Lake Johnston tenement E63/1903.

Capital Raising

In October 2022, the company raised A\$2 million (before costs) through a placement of approximately 10.5 million new ordinary shares at \$0.19 per share with one free attaching option for every two shares subscribed exercisable at \$0.30 per option expiring 19 July 2024.

Net proceeds were used to progress works associated with the development of the Tallahassee Uranium Project, preparatory drilling work at Newham Lake and Perch Projects in the Athabasca Uranium Project, potential project acquisitions and general working capital.

Subsequent to period end, Okapi announced it has received binding commitments to raise \$5.129 million (before costs) through a placement of approximately 34.2 million new fully paid ordinary shares at an issue price of \$0.15 per share (Placement). The Placement will be undertaken in two tranches. Tranche 1 Placement (T1) comprising 17.4 million shares and Tranche 2 Placement (T2) including the Directors participation comprising 16,793,332 shares which will be issued subject to shareholders approval to be sought at a general meeting at the end of March 2023. The T1 Placement was completed on 28 February 2023.

Board and Management Changes

In August 2022, Mr Fabrizio Perilli joined the Okapi board as Non-Executive Director. Mr Perilli was the Chief Executive Officer of the Development & Construction business at TOGA and has over 25 years' experience in the property development and construction sector.

At the Company's November 2022 AGM, Mr Leonard Math retired as Executive Director. Mr Math will continue to work with Okapi as the Company's Chief Financial Officer and Company Secretary.

On 13 January 2023, post period, Okapi announced that Tim Brown has joined the team as the company's United States Country Manager. Mr Brown's background includes over 30 years of experience as a geologist and project manager in both greenfield and brownfield projects across the United States.

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 2022.

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:

Brian Hill – Non-executive Chairman
Andrew Ferrier – Managing Director
Fabrizio Perilli – Non-Executive Director (Appointed 31 August 2022)
Benjamin Vallerine – Non-executive Director
Leonard Math – Executive Director (retired on 18 November 2022)

CFO & COMPANY SECRETARY

Leonard Math (CFO appointed on 18 November 2022)

PRINCIPAL ACTIVITIES

The Company is in the business of mineral exploration with a specific focus on uranium exploration in North America and gold exploration in Australia. The Company's primary aim in the near-term is to explore for, discover and develop uranium deposits on the uranium exploration projects in North America.

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 2022 was a loss after tax of \$2,022,687 (2021: \$5,890,712).

EARNINGS PER SHARE

The basic loss per share for the period ended 31 December 2022 was 1.47 cents (2021: 6.48 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. Okapi will also continue to manage its investment in Ubaryon Pty Ltd in assisting with the development of Ubaryon Enrichment Technology.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Mr Fabrizio Perilli was appointed as Non-Executive Director on 31 August 2022.

Mr Leonard Math retired as Executive Director and was appointed as Chief Financial Officer on 18 November 2022.

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

SUBSEQUENT EVENTS

Subsequent to half year, Okapi completed the acquisition of 45 new mining claims and one Colorado State Mineral lease in Maybell, Colorado USA from Mr Arden Larson and Uranium Recovery Corp. (**Vendor**). The company paid US\$75,000 and issued A\$80,000 worth of fully paid ordinary shares in Okapi based on the deemed issue price per share equal to the volume weighted average trading price of the shares (VWAP) over the 20 trading days immediately preceding completion. The acquisition was completed on 6 February 2023 with a total of 413,983 shares issued.

The Vendor was granted a royalty of 0.5% of the gross smelter return (**GSR**) on all materials produced from the Properties (**Royalty**). Okapi may at any time acquire 50% of the royalty (0.25%) from the Vendors by payment of USD\$100,000 in cash (**Royalty Buy Back**).

As an additional consideration, Okapi has agreed to issue the Vendor certain contingent consideration shares based upon a JORC Code compliant inferred mineral resource (Inferred Resource) utilising a minimum cut-off grade of 250ppm U308 (Minimum Cut-Off Grade). The amount of contingent consideration shares issued is to be calculated as \$0.10 per pounds of U₃O₈ in the Inferred Resource to be satisfied by the issue to the Vendor of that number of Shares based on the 20-day VWAP of Shares prior to Okapi announcing the Inferred Resource (Contingent Consideration Shares). The Milestone must be achieved by the date which is five (5) years from completion and is capped at a maximum of 25 million pounds.

On 25 January 2023, Okapi announced it has entered into a binding agreement to become a cornerstone shareholder in Ubaryon Pty Ltd (**Ubaryon**). Ubaryon is a private Australian company which is developing and commercialising a novel uranium enrichment technology (**Ubaryon Enrichment Technology**).

Okapi will acquire its position through a private placement in Ubaryon. The total consideration will be A\$3.1 million for an initial 19.9% interest in Ubaryon at a price of A\$0.1787 per share. Subject to a successful completion of a share buyback by Ubaryon from its existing shareholders, Okapi's shareholding in Ubaryon could increase to 21.9%. Okapi has the right and intends to maintain its ownership interest in Ubaryon moving forward. Upon completion of the transaction, Okapi also has the right to nominate a director to Ubaryon's Board. Mr Andrew Ferrier has been nominated and accepted as the nominee Board member of Ubaryon. The transaction is expected to close by the end of March 2023. Completion of the transaction remains subject to satisfaction of a number of conditions precedent including receiving Ubaryon shareholders approval, Okapi completing its due diligence and capital raising.

The Company has agreed to issue Element Resources Fund Pty Ltd (or its nominee) A\$100,000 worth of fully paid ordinary shares in Okapi (**Fee Shares**) in consideration for finder and introduction services provided to Okapi in relation to the Investment in Ubaryon. The value of the Fee Shares shall be calculated by use of the 20-day volume weighted average price of Shares up to the day prior to Ubaryon transaction completion.

On 20 February 2023, Okapi announced it has received binding commitments to raise \$5.129 million (before costs) through a placement of approximately 34.2 million new fully paid ordinary shares at an issue price of \$0.15

per share (**Placement**). The Placement will be undertaken in two tranches. Tranche 1 Placement (**T1**) comprising 17.4 million shares will be issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 and 7.1A. Tranche 2 Placement (**T2**) including the Directors participation comprising 16,793,332 shares will be issued subject to shareholders approval to be sought at a general meeting in early April 2023. The T1 Placement is expected to be settled by 27 February 2023 and the Placement shares will rank equally with the Company's existing shares on issue.

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 2022 has been received and forms part of the Directors' report and can be found on page 13 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 Ferrier
Managing Director

15 March 2023
Perth, Western Australia

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Okapi Resources Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA

Director

Dated this 15th day of March 2023
Perth, Western Australia

Okapi Resources Limited
Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Revenue			
Interest income		12,265	-
Profit from sale of listed investments		87,600	-
Proceeds from sale of tenement		50,000	-
Expenditure			
Audit fees		(14,910)	(21,213)
Compliance expenses		(101,414)	(99,495)
Corporate expenses		(312,242)	(446,609)
Director and executive fees		(323,638)	(207,716)
Consultants		(33,660)	(94,740)
Share based payments	5(e)	(1,069,650)	(4,398,565)
Exploration expenses written off		(114,446)	(10,595)
Fixed asset written off		-	(10,740)
Investor Relations		(127,373)	(293,813)
OTC Listing expenses		-	(103,664)
Termination payment		-	(132,000)
Administration		(35,878)	(102,571)
Fair value adjustment to financial asset		(39,201)	19,601
Foreign exchange loss		(140)	11,408
Loss before income tax		(2,022,687)	(5,890,712)
Income tax expense		-	-
Loss after income tax from continuing operations		(2,022,687)	(5,890,712)
Other Comprehensive income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Total comprehensive income for the year		(2,022,687)	(5,890,712)
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)	7	(1.47)	(6.48)

The accompanying notes form part of these consolidated financial statements

	Note	31 Dec 2022 \$	30 June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,181,488	1,190,608
Trade and other receivables		385,729	306,034
Total current assets		<u>2,567,217</u>	<u>1,496,642</u>
Non-current assets			
Financial assets	3	312,515	529,822
Deferred exploration & evaluation expenditure	2	26,983,363	24,104,994
		<u>27,295,878</u>	<u>24,634,816</u>
Total assets		<u>29,863,095</u>	<u>26,131,458</u>
LIABILITIES			
Current liabilities			
Trade and other payables		278,112	356,932
Total current liabilities		<u>278,112</u>	<u>356,932</u>
Total liabilities		<u>278,112</u>	<u>356,932</u>
Net assets		<u>29,584,983</u>	<u>25,774,526</u>
Equity			
Issued capital	5(a)	36,086,237	31,396,987
Reserves	6	8,053,113	6,909,219
Accumulated losses		(14,554,367)	(12,531,680)
Total equity		<u>29,584,983</u>	<u>25,774,526</u>

The accompanying notes form part of these consolidated financial statements

2022	Issued Capital	Share- based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<i>Opening Balance – 1 July 2022</i>	31,396,987	6,909,219	(12,531,680)	25,774,526
Loss for the period	-	-	(2,022,687)	(2,022,687)
<i>Total comprehensive income for the period</i>	-	-	(2,022,687)	(2,022,687)
Shares issued during the period (Note 5(b))	5,025,955	-	-	5,025,955
Share issue costs	(262,197)	-	-	(262,197)
Share based payments	(74,508)	1,143,894	-	1,069,386
<i>Balance as at 31 Dec 2022</i>	<u>36,086,237</u>	<u>8,053,113</u>	<u>(14,554,367)</u>	<u>29,584,983</u>

2021	Issued Capital	Share- based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<i>Opening Balance – 1 July 2021</i>	9,332,580	158,250	(5,138,353)	4,352,477
Loss for the period	-	-	(5,890,712)	(5,890,712)
<i>Total comprehensive income for the period</i>	-	-	(5,890,712)	(5,890,712)
Shares issued during the period (Note 5(b))	20,998,440	-	-	20,998,440
Share issue costs	(130,250)	-	-	(130,250)
Share based payments	-	6,751,811	-	6,751,811
<i>Balance as at 31 Dec 2021</i>	<u>30,200,770</u>	<u>6,910,061</u>	<u>(11,029,065)</u>	<u>26,081,766</u>

The accompanying notes form part of these consolidated financial statements

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Interest received		12,265	-
Payments to suppliers and employees		(1,198,263)	(2,360,026)
Net cash outflows from operating activities		(1,185,998)	(2,360,026)
Cash flows from investing activities			
Payments for tenements and exploration		(2,353,368)	(50,000)
Proceeds from sale of tenement		50,000	-
Payment for property, plant and equipment		-	(10,740)
Payment of environmental bond		(10,000)	-
Proceeds from sale of equity investments		265,707	-
Net cash outflows from investing activities		(2,047,661)	(60,740)
Cash flows from financing activities			
Proceeds from share issue (net of cost)		4,224,539	3,217,240
Net cash inflows from financing activities		4,224,539	3,217,240
Net (decrease) increase in cash and cash equivalents held		990,880	796,474
Cash and cash equivalents at the beginning of the period		1,190,608	3,214,632
Cash and cash equivalents at the end of the period		2,181,488	4,011,106

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 2022 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.

Going Concern

The Company incurred an operating loss of \$2,022,687 (31 Dec 2021 - \$5,890,712) and had cash outflows from operating activities of \$1,185,998 (31 Dec 2021 - \$2,360,026) for the half-year ended 31 December 2022. The consolidated entity is in exploration phase and does not yet have an income stream.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- during the half year, the Company raised \$4.225 million (after costs) through placements to sophisticated and professional investors;
- the Company is still in the early stages of operations and is able to scale back activity if required; and
- the Directors have prepared a budget which demonstrates that the Company has sufficient cash to meet its expenditure requirements for a period of not less than twelve months from the date of signing this report.

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 2022.

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 2022 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.

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 2022

In the half-year ended 31 December 2022, 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 2021.

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 in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2022.

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 2022 \$	30 June 2022 \$
Non-current		
Deferred exploration & evaluation – at cost	<u>26,983,363</u>	<u>24,104,994</u>
<i>Movement for the period</i>		
Beginning of financial period	24,104,994	774,070
Tallahassee milestone payment	525,000	-
Exploration and evaluation costs for the period (i)	2,467,815	23,686,146
Exploration & project due diligence costs written-off	(114,446)	(355,222)
End of the financial period	<u>26,983,363</u>	<u>24,104,994</u>

- (i) The Group has capitalised all costs associated with its Tallahassee Uranium Project (USA), Maybell Uranium Project (USA), Rattler Uranium Project (USA), Athabasca Uranium Projects and Enmore Gold Project (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. Okapi, through its wholly owned subsidiary Tallahassee Resources Pty Ltd is the 100% owner of the Tallahassee Uranium Project, Maybell Uranium Project and Rattler Uranium Project in the USA. Okapi, through its wholly owned subsidiary Okapi Canada Resources Canada Ltd. Is the 100% owner of the Athabasca Uranium Projects. Okapi, through its wholly owned subsidiary Panex Resources WA Pty Ltd is the 100% owner of the Enmore Gold Project.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2022 \$	30 June 2022 \$
<i>Financial assets at fair value through profit or loss</i>		
Listed Shares	<u>312,515</u>	<u>529,822</u>
	<u>312,515</u>	<u>529,822</u>

	31 December 2022 \$	30 June 2022 \$
Carrying amount at beginning of the year	529,822	440,509
Additions	-	-
Disposal	(178,106)	(45,124)
Fair value adjustment to financial asset	(39,201)	134,437
	312,515	529,822

(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 \$39,201 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 2022				
Listed equity securities	312,515	-	-	312,515
Fair value at 31 December 2022	312,515	-	-	312,515

5. ISSUED CAPITAL

(a) **Share capital**

147,338,496 ordinary fully paid shares (June 2022:
117,139,173)

	31 December 2022 \$	30 June 2022 \$
	36,086,237	31,396,987

	31 December 2022	
	Number of shares	\$
(b) Movements in share capital for the financial period		
<i>Balance at beginning of the financial period</i>	117,139,173	31,396,987
<i>Issued during the period:</i>		
Placement at \$0.15 per share	16,673,007	2,500,955
Placement at \$0.19 per share	10,526,316	2,000,000
Issue of milestone shares – Tallahassee	3,000,000	525,000
Share issue costs	-	(262,197)
Share issue costs – share based payment	-	(74,508)
<i>Balance at end of the financial period</i>	147,338,496	36,086,237

(c) Share Options on issue for the half-year

	Expiry Date	Exercise Price	Balance at start of period	Issued during the period	Converted during the period	Cancelled/ lapsed during the period	Balance at end of period
2022							
Listed	31/03/23	\$0.30	17,992,230	-	-	-	17,992,230
Unlisted	08/04/24	\$0.30	1,125,000	-	-	-	1,125,000
Unlisted	08/04/24	\$0.35	1,125,000	-	-	-	1,125,000
Unlisted	24/08/23	\$0.30	29,375,000	-	-	-	29,375,000
Unlisted	19/07/24	\$0.30	-	13,599,675	-	-	13,599,675
Unlisted	31/12/24	\$0.50	3,000,000	-	-	-	3,000,000
Unlisted	31/12/24	\$0.60	2,000,000	-	-	-	2,000,000
Unlisted	31/12/24	\$0.70	2,000,000	-	-	-	2,000,000

(d) Ordinary Performance Rights on issue for the half-year

	Expiry Date	Exercise Price	Balance at start of period	Granted during the period	Converted during the period	Cancelled/ lapsed during the period	Balance at end of period
2022							
Class A	31/12/25	-	666,666	-	-	-	666,666
Class B	31/12/25	-	666,667	-	-	-	666,667
Class C	31/12/25	-	666,667	-	-	-	666,667
Class D	31/12/25	-	-	600,000	-	-	600,000
Class E	31/12/25	-	-	1,350,000	-	-	1,350,000
Class F	31/12/25	-	-	1,850,000	-	-	1,850,000
Class G	31/12/25	-	-	1,850,000	-	-	1,850,000

Vesting Conditions:

Class A: The Company achieving and maintaining a share price of \$0.75 or more for a continuous period of 20 trading days on or before 31 December 2025.

Class B: The Company achieving and maintaining a share price of \$1.00 or more for a continuous period of 20 trading days on or before 31 December 2025.

Class C: The Company achieving and maintaining a share price of \$1.25 or more for a continuous period of 20 trading days on or before 31 December 2025.

Class D: The Company achieving and maintaining a volume weighted average share price of \$0.50 or more for a continuous period of 20 trading days on or before 31 December 2025.

Class E: The Company achieving and maintaining a volume weighted average share price of \$0.60 or more for a continuous period of 20 trading days on or before 31 December 2025.

Class F: The Company achieving and maintaining a volume weighted average share price of \$0.70 or more for a continuous period of 20 trading days on or before 31 December 2025.

Class G: The Company achieving and maintaining a volume weighted average share price of \$0.80 or more for a continuous period of 20 trading days on or before 31 December 2025.

(e) Ordinary Performance Rights issued during the half-year

	Number issued	Grant Date	Expiry Date	Volatility %	Risk free rate %	Share Price at grant date	Fair value per right	Total fair value – life of right
Brian Hill								
Class D	300,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2312	\$69,360
Class E	300,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2208	\$66,240
Class F	600,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2116	\$126,960
Class G	600,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2032	\$121,920
Andrew Ferrier								
Class E	750,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2208	\$165,600
Class F	750,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2116	\$158,700
Class G	750,000	23/09/22	31/12/25	100%	3.58%	\$0.27	\$0.2032	\$152,400
Fabrizio Perilli								
Class D	300,000	18/11/22	31/12/25	99%	3.16%	\$0.19	\$0.1444	\$43,320
Class E	300,000	18/11/22	31/12/25	99%	3.16%	\$0.19	\$0.1355	\$40,650
Class F	500,000	18/11/22	31/12/25	99%	3.16%	\$0.19	\$0.1279	\$63,950
Class G	500,000	18/11/22	31/12/25	99%	3.16%	\$0.19	\$0.1211	\$60,550
								\$1,069,650

6. RESERVES

	31 December 2022 \$	30 June 2022 \$
(a) Reserves		
Share based payments reserve	<u>8,053,113</u>	<u>6,909,219</u>
(b) Movements in reserves for the financial period		
Balance at beginning of the financial period	6,909,219	158,250
Share based payments (options) – share issue costs	74,508	6,175,835
Share based payments lapsed (options)	-	(46,266)
Share based payments (performance rights)	1,069,386	2,321,440
Share based payments converted (performance rights)	-	(1,700,040)
Balance at end of the financial period	<u>8,053,113</u>	<u>6,909,219</u>

7. LOSS PER SHARE

	December 2022 \$	December 2021 \$
<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	<u>(2,022,687)</u>	<u>(5,890,712)</u>
<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	<u>137,383,597</u>	<u>90,897,248</u>
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)	<u>(1.47)</u>	<u>(6.48)</u>

8. CONTINGENT LIABILITIES

Tallahassee Uranium Project, Colorado – USA

Okapi's wholly owned subsidiary, Tallahassee Resources Pty Ltd holds its mineral rights by way of mining agreements with two privately-owned ranches.

Taylor Ranch Property

Tallahassee has an initial 10-year lease over the Taylor Ranch (until 10 November 2030), encompassing approximately 5,505 acres, that provides Tallahassee the right to explore, develop and mine uranium resources on that property by:

- (i) Making a cash payment of US\$25,000 on or before 10 November 2021 (payment has been made);
- (ii) Making further annual payments, on or before the subsequent anniversary date of that payment, of:
 - o US\$25,000, if the benchmark uranium price is less than US\$60/lb U3O8;
 - o US\$35,000, if the benchmark uranium price is greater than or equal to US\$60/lb but less than US\$80/lb U3O8;
 - o US\$45,000, if the benchmark uranium price is greater than or equal to US\$80/lb but less than US\$100/lb U3O8; or
 - o US\$55,000, if the benchmark uranium price is greater than or equal to US\$100/lb U3O8.
- (iii) Paying a production royalty in the amount of:
 - a. 2.5% for production from land in which the owner holds both surface and mineral rights; and
 - b. 1.5% for production from land in which the owner holds only the surface rights.

If commercial operations have commenced within the initial 10-year lease period, Tallahassee will have the right to extend the lease for as long as commercial production continues by paying the owner US\$55,000 on the annual anniversary of the date of execution of the agreement.

During the half year, Okapi has paid its annual payment commitment.

Boyer Ranch Property

Tallahassee has an initial 10-year lease over the Boyer Ranch (until 10 November 2030), encompassing approximately 1,875 acres, that provides Tallahassee the right to explore, develop and mine uranium resources on that property by:

- (i) Making a cash payment of US\$10,000 on before 10 November 2021 (payment has been made);
- (ii) Making further annual payments, on or before the subsequent anniversary date of that payment, of:
 - o US\$10,000, if the benchmark uranium price is less than US\$60/lb U3O8;
 - o US\$15,000, if the benchmark uranium price is greater than or equal to US\$60/lb but less than US\$80/lb U3O8;
 - o US\$20,000, if the benchmark uranium price is greater than or equal to US\$80/lb but less than US\$100/lb U3O8; or
 - o US\$30,000, if the benchmark uranium price is greater than or equal to US\$100/lb U3O8.
- (iii) Paying a production royalty in the amount of:
 - a. 2.0% for production from land in which the owner holds both surface and mineral rights; and
 - b. 0.5% for production from land in which the owner holds only the surface rights.

If commercial operations have commenced within the initial 10-year lease period, Tallahassee will have the right to extend the lease for as long as commercial production continues by paying the owner US\$30,000 on the annual anniversary of the date of execution of the agreement.

During the half year, Okapi has paid its annual payment commitment.

High Park Uranium Project

Okapi entered into a 10 year mining lease with the State of Colorado to secure a 100% interest in the 640 acre landholding at High Park. Okapi has the option to extend the lease for a further 10 years as long as minerals are being produced in paying quantities.

The financial terms of the lease include:

- One-off payment of US\$42,000 (payment has been made);
- Annual rent US\$3,200;
- Annual advanced royalty payment of \$16,800 deductible from future royalty payments (payment has been made); and
- Sliding scale gross production royalty linked to the uranium price ranging from 5% and increasing to 12%, depending on the prevailing uranium price.

During the half year, Okapi has paid its annual payment commitment.

Hansen Uranium Project

During the half year, Okapi completed the agreement to acquire an option over a 51% interest in the Hansen Uranium Project in Colorado, USA. Okapi has an 8-year option to purchase the 51% mineral interest as per the terms below:

- a. US\$50,000 on executing the Binding Term Sheet (payment has been made);
- b. US\$450,000 on entering a definitive option agreement (Definitive Agreement) within 60 days of entering the Binding Term Sheet (payment has been made);
- c. Okapi can maintain the option for 5 years by paying US\$250,000 annually subject to any inflation adjustments;
- d. During the option period, Okapi has the right to conduct mineral prospecting, exploration, development, mining and related activities on the properties comprising the Hansen Uranium Project.
- e. Okapi can continue the option for a further 3 years by paying US\$500,000 annually subject to inflation adjustments;

- f. Okapi has the right to exercise the option at any time during the 8 years by payment of US\$5,000,000 at which time STB Minerals will transfer to Okapi its full 51% mineral interest reserving a royalty of 1.5% net returns over their 51% mineral interest (STB Royalty). Upon exercise of the option, Okapi will not be required to pay any further option fees;
- g. Okapi would have the right to purchase 50% of STB Royalty at any time after Closing by paying STB Minerals US\$500,000.

Rattler Uranium Project

Tallahassee has the right to acquire a 100% interest in the 51 BLM claims that comprise the Rattler Project by making further payments of:

- i. US\$25,000 in cash or shares (at Tallahassee's election) by 31 December 2021. If a benchmark U3O8 price is >US\$60/lb, this payment is to comprise US\$50,000. (Payment has been made)
- ii. 3 further annual payments of US\$25,000 in cash or shares (at Tallahassee's election) on or before 31 December each year. If a benchmark U3O8 price is >\$60/lb at the time these payments are due, consideration will be US\$50,000.

Tallahassee is required to make all annual claim maintenance payments. Title will be transferred to Tallahassee on completion of the fourth (and final) payment. The vendor will retain a 1% NSR royalty; with Tallahassee having the right to purchase 50% of this for US\$500,000 at any time.

During the half year, Okapi has paid its annual payment commitment.

9. SUBSEQUENT EVENTS

Subsequent to half year, Okapi completed the acquisition of 45 new mining claims and one Colorado State Mineral lease in Maybell, Colorado USA from Mr Arden Larson and Uranium Recovery Corp. (**Vendor**). The company paid US\$75,000 and issued A\$80,000 worth of fully paid ordinary shares in Okapi based on the deemed issue price per share equal to the volume weighted average trading price of the shares (VWAP) over the 20 trading days immediately preceding completion. The acquisition was completed on 6 February 2023 with a total of 413,983 shares issued.

The Vendor was granted a royalty of 0.5% of the gross smelter return (**GSR**) on all materials produced from the Properties (**Royalty**). Okapi may at any time acquire 50% of the royalty (0.25%) from the Vendors by payment of USD\$100,000 in cash (**Royalty Buy Back**).

As an additional consideration, Okapi has agreed to issue the Vendor certain contingent consideration shares based upon a JORC Code compliant inferred mineral resource (Inferred Resource) utilising a minimum cut-off grade of 250ppm U3O8 (Minimum Cut-Off Grade). The amount of contingent consideration shares issued is to be calculated as \$0.10 per pounds of U₃O₈ in the Inferred Resource to be satisfied by the issue to the Vendor of that number of Shares based on the 20-day VWAP of Shares prior to Okapi announcing the Inferred Resource (Contingent Consideration Shares). The Milestone must be achieved by the date which is five (5) years from completion and is capped at a maximum of 25 million pounds.

On 25 January 2023, Okapi announced it has entered into a binding agreement to become a cornerstone shareholder in Ubaryon Pty Ltd (**Ubaryon**). Ubaryon is a private Australian company which is developing and commercialising a novel uranium enrichment technology (**Ubaryon Enrichment Technology**).

Okapi will acquire its position through a private placement in Ubaryon. The total consideration will be A\$3.1 million for an initial 19.9% interest in Ubaryon at a price of A\$0.1787 per share. Subject to a successful completion of a share buyback by Ubaryon from its existing shareholders, Okapi's shareholding in Ubaryon could increase to 21.9%. Okapi has the right and intends to maintain its ownership interest in Ubaryon moving forward. Upon completion of the transaction, Okapi also has the right to nominate a director to Ubaryon's Board. Mr Andrew Ferrier has been nominated and accepted as the nominee Board member of Ubaryon. The transaction is expected to close by the end of March 2023. Completion of the transaction remains subject to satisfaction of a number of conditions precedent including receiving Ubaryon shareholders approval, Okapi completing its due diligence and capital raising.

The Company has agreed to issue Element Resources Fund Pty Ltd (or its nominee) A\$100,000 worth of fully paid ordinary shares in Okapi (**Fee Shares**) in consideration for finder and introduction services provided to Okapi in relation to the Investment in Ubaryon. The value of the Fee Shares shall be calculated by use of the 20-day volume weighted average price of Shares up to the day prior to Ubaryon transaction completion.

On 20 February 2023, Okapi announced it has received binding commitments to raise \$5.129 million (before costs) through a placement of approximately 34.2 million new fully paid ordinary shares at an issue price of \$0.15 per share (**Placement**). The Placement will be undertaken in two tranches. Tranche 1 Placement (**T1**) comprising 17.4 million shares will be issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 and 7.1A. Tranche 2 Placement (**T2**) including the Directors participation comprising 16,793,332 shares will be issued subject to shareholders approval to be sought at a general meeting in early April 2023. The Placement shares will rank equally with the Company's existing shares on issue. The T1 Placement of 17.4 million shares were issued 28 February 2023.

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 14 to 27 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, AASB 134: Interim Financial Reporting and Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 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 Ferrier
Managing Director

15 March 2023
Perth, Western Australia

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

Conclusion

We have reviewed the accompanying half-year financial report of Okapi Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Okapi Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the Consolidated Entity financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with 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 Financial Report* section of our report. We are independent of the Company 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities 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 time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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 Responsibility for the Review of the 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 we have become aware of any matter that makes us 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 2022 and its performance 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.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Chris Nicoloff

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Director

Dated this 15th day of March 2023
Perth, Western Australia