



## Quarterly Activities Report

### For the Quarter ended 31 March 2018

**ASX: OKR**

**Issued shares**

34,342,867  
as at 31 March 2017

**Board of Directors**

*Klaus Eckhof*  
Non-executive Chairman

*Nigel Ferguson*  
Managing Director

*Raymond (Jinyu) Liu*  
Non-executive Director

**Company Secretary/CFO**

*Craig Nelmes*

**Registered Office**

Level 2, Suite 9  
389 Oxford Street  
Mt Hawthorn, WA 6016

Phone: +61 8 9380 6789

Fax: +61 8 9380 6761

[www.okapiresources.com](http://www.okapiresources.com)

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

**30 April 2018**

## HIGHLIGHTS FOR THE QUARTER

### **Mambasa Project, DRC**

- Assay results received from soil samples program and reported anomalous gold results of up to 0.9g/t gold
- Two structures have been defined in the gold in soil results:
  - +3,000 metre North-West trending structure with similar geometry characteristics to regional gold projects such as Kibali and Geita interpreted from satellite imagery
  - +3,000 metre North-South trend that potentially represents another structural control associated with anomalous gold.

### **Katanga Copper-Cobalt Project**

- The due diligence phase progressing with a two week extension (to 9 May 2018) granted to finalise the legal and corporate review, by vendor Rubamin FZC
- Tenke Project considered the priority licence, on basis of technical due diligence work completed in the quarter, given its geological setting; "blind" Mine Group sequence units and significant mineralisation defined within a 50km radius of the licence.

### **Crackerjack Project, Western Australia**

- Desktop multi element review of rock chip & stream sediment sampling data, as well as the continuing review of historic drilling data studies undertaken during the quarter.

### **Corporate**

- Okapi remains well funded with end of quarter cash reserves of \$5.2 Million
- During the quarter a \$1.5 Million placement was completed (at \$0.70 each)
- 13.98% shareholder Havelock Mining investment (Hong Kong) participated to maintain their interest in Okapi.

Okapi Resources Limited (ASX: OKR, "Okapi", "Company") is pleased to report on activities completed during the March 2018 quarter.

## The Mambasa Project Work Completed (Earn in to 70%)

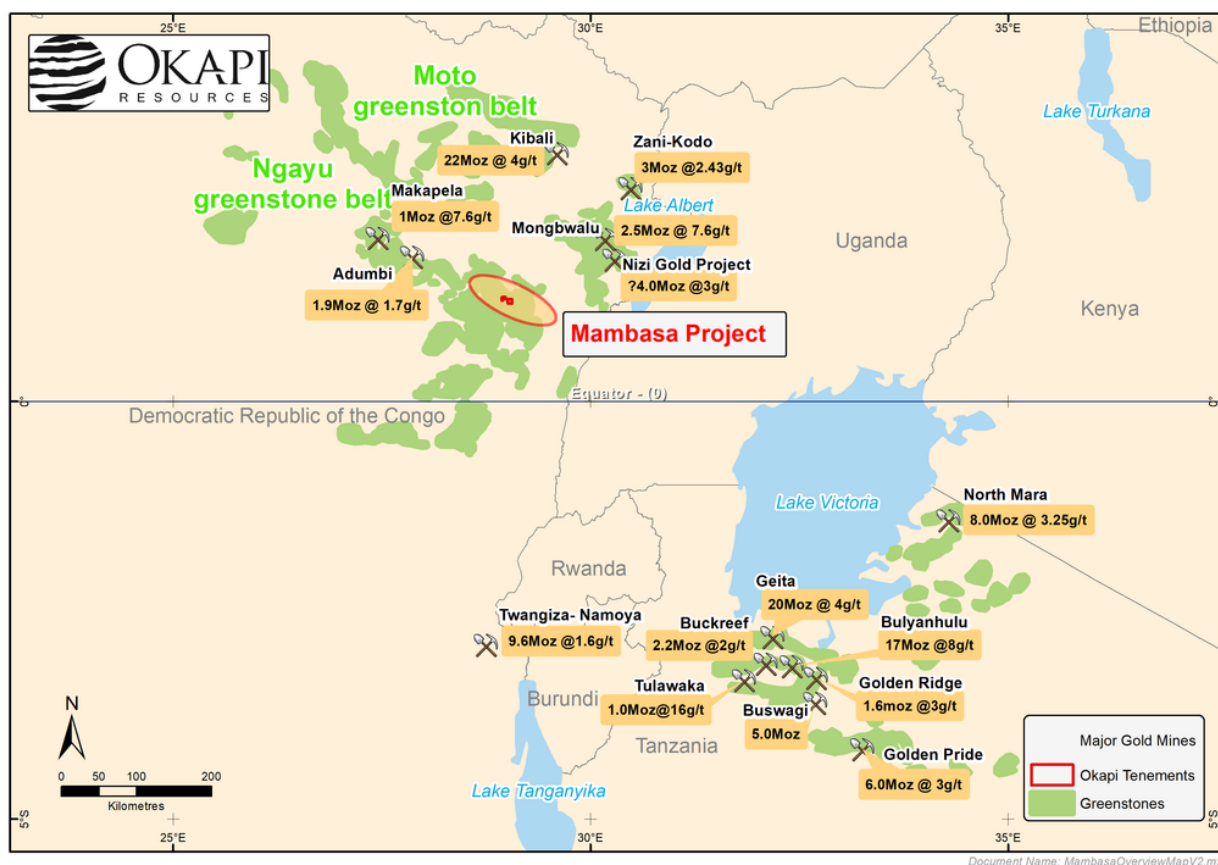


Figure 1: Regional Location Map of the Mambasa Gold Project Showing Nearby Significant Gold Projects.

### Exploration Activities for the March Quarter

During the March quarter the Company received multi element geochemical results from its Phase 1 soil sampling program at Mambasa (**ASX Release on 9 April 2018**). Work consisted of the collection of 997 soil samples from the PE364 licence area on a 250m line by 100m soil sample grid. These samples were submitted to the ALS Laboratory, Johannesburg (ISO 9001:2008) for multi-element analysis. The results, reporting up to a maximum of 0.93 g/t Au, have all been received.

Anomalous gold results show a +3,000 metre long NW trend (**Figure 2**), which is very encouraging as it is a similar geometry shown by some of the more significant gold projects in the region, including Kibali and Geita. A similar NW fabric can be seen in satellite imagery and the lineation is currently interpreted as the same structural trend that hosts deposits in the Ngayu Greenstone Belt (**Figure 3**).

Also apparent in the gold in soil results is a +3,000 metre long North-South trend that potentially represents another structural control associated with anomalous gold-in-soils results.

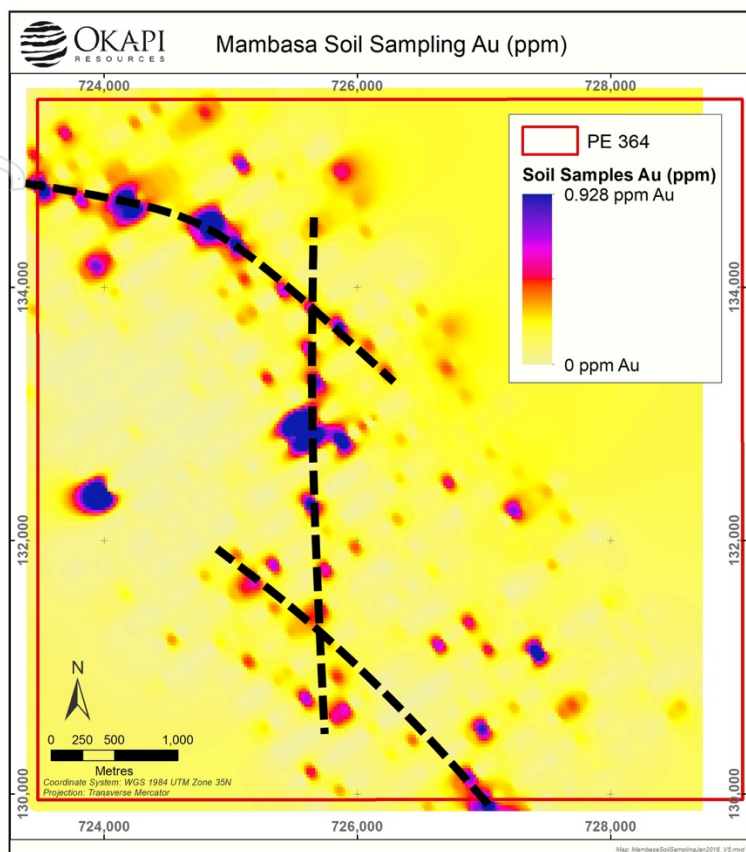


Figure 2: Mambasa Soil Sampling Results - Gold

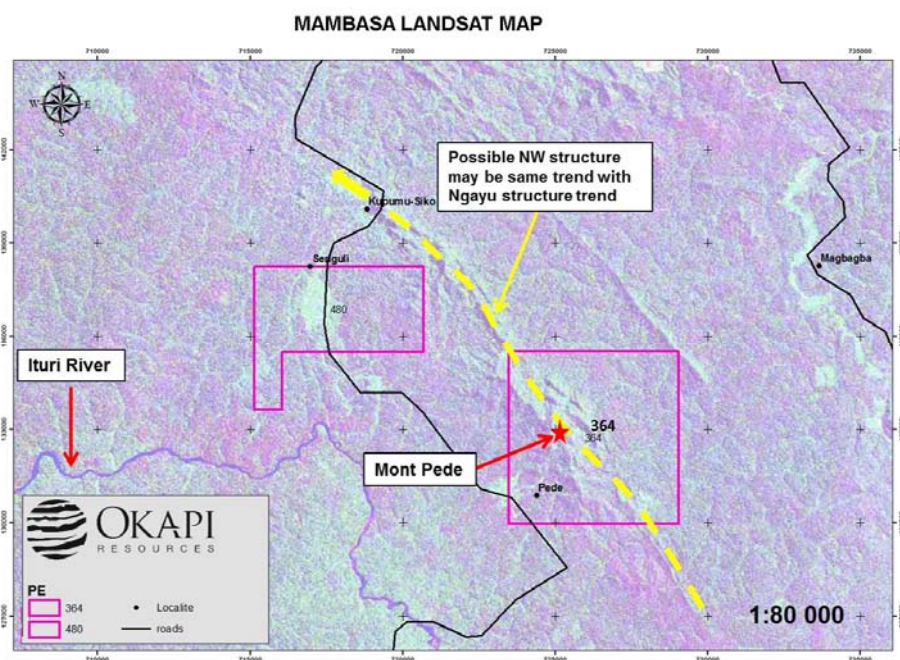


Figure 3: Landsat Imagery with Interpreted Structural Trend

## Exploration Activities planned for the June Quarter

Further work is planned to better understand the results of the soil sampling and to include;

- Further detailed soil geochemistry
- Review of multi-element associations
- Detailed ground mapping around anomalous results
- Costeaning
- Scout Diamond Drilling

## Katanga Cobalt-Copper Project - Project Acquisition (Earn up to 70%)

### Execution of Option Agreement

Okapi executed an Option Agreement with local vendor, Rubamin FZC to earn up to a 70% equity right in up to three mineral exploration licences (“**Research Permits**”, “**PR’s**”) located in the Democratic Republic of Congo (“DRC”) (**Figure 4**) and referred to as the Katanga Cobalt-Copper Project (**ASX release 25 January 2018**).

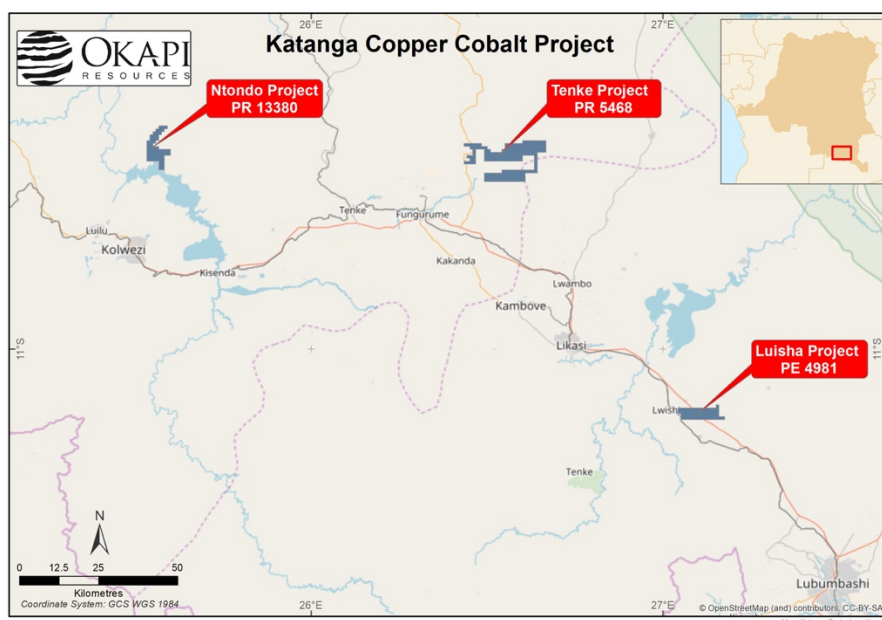


Figure 4: Location Map of the Katanga Copper Cobalt Project

Rubamin SARL is the current owner of Research Permits (PR) exploration licences PR 4981, “Luisha Project” of approximately 48km<sup>2</sup>; PR5468, the “Tenke Project” with a total of 151km<sup>2</sup> and PR13380, the “Ntondo Project”, covering a total of 48km<sup>2</sup> is the Ntondo Project.

Regionally traditional copper/cobalt mineralisation is hosted in sedimentary rocks of the highly prospective Roan Formation. These rocks, in particular the dolomites, are susceptible to brittle fracture and are extremely chemically receptive to mineral precipitation and enrichment. The world class Tenke Fungurume Copper/Cobalt Mine (Measure & Indicated – 680Mt @ 2.5% Cu & 0.3% Co – Dec 31, 2015<sup>1</sup>) is hosted in rocks from the Roan Group. More recently sediments of the of the overlying Kundulungu

<sup>1</sup> Lundin Mining Annual Information Form. 31 December 2015 Lodged March 30<sup>th</sup> 2016. Schedule A “Mineral Reserves and Resources – 2015” Page 64. [www.sedar.com](http://www.sedar.com)

Group have been found to host world class deposits, Kamoakakula: Indicated Resource 1.03 billion tonnes @ 3.17% Cu (2018)<sup>2</sup>.

### ***Option/farm in Agreement***

The Key option/farm-in terms and conditions are as follows:

- Okapi has an Exclusivity Period of 90 Business Days from within which to complete technical, legal and corporate due diligence (now expiring 9 May 2018);
- An option fee of US\$25,000 per Licence is payable on the granting Okapi the Option to acquire the Project Interest;
- Okapi is appointed as Manager and is solely responsible for maintaining the Project, contracting, compliance with DRC Mining Laws and possession and control of Project assets.
- The funding obligations for each licence over a planned three-year period post the DD phase totals US\$3 million for Okapi to earn its full 70% interest.
- Rubamin has a contractual right for first right of refusal to provide selected drilling services subject to Okapi's rights regarding approval and the satisfaction of legal and competency preconditions;
- If Okapi withdraws after meeting the Year 2 funding obligations, then they may elect to assign to a third party that portion of the earned Project Interest (subject to Rubamin's first right of refusal). If Okapi withdraws from further funding of all Licences, then it surrenders all earned Project Interest
- If Okapi decides to only put one Licence into Development, then the Project Interest will be reduced to 60% of that licence. Okapi has the right to buy back the surrendered 10% to return to the full 70% Project Interest at the agreed price with the safeguard of independent valuation;
- Okapi is required to meet the cost of the pre-feasibility study and deliver a report in accordance with Good Industry Practice.

### ***Due Diligence Period***

During April 2018 and subsequent to the end of the quarter, an additional two-week extension of time to 9 May 2018 was requested and approved by Rubamin FZC, so as to allow of the Company to complete its due diligence program.

The due diligence work undertaken to date and as **ASX released on 15 March 2018**, on the three research permits is as follows:

### ***Tenke Project - PR5468***

The Tenke Project is in close proximity to many well-known copper/cobalt deposits, Tenke Fungurume, Fwaulu, Kansalawile, Kwatebala, Pumpi and the Mambilimba deposits, and is known to have highly prospective Roan Group sediments outcrop in the license area.

Okapi work at the Tenke Project during the quarter was part of a technical due diligence program that consisted of field mapping and sampling. The area covered was restricted to the west of the license area as access was hindered by seasonal rains and unpassable rivers. The area mapped however did contain previously undiscovered outcropping Roan sediments, these sediments displayed copper mineralisation in the form of malachite and azurite. Artisanal workings immediately to the west of the license area, the Kate workings (**Figure 5**), displayed well developed malachite and azurite

<sup>2</sup> Ivanhoe Mines Limited. January 2018. Technical Report (NI 43-101) Kamoakakula 2017 Development Plan, Section 1.2.1 pages 5 and 6. Orewin Pty Ltd. [www.sedar.com](http://www.sedar.com)



mineralisation similar to mineralisation identified in Roan sediments in the license area. Five rock chip samples were taken from the Kate workings and results are shown in **Table 1** below.

D	Easting	Northing	Elevation	Cu (%)	Co (%)	Geology
K1	440525.00	8846582.00	1142.00	21.98	0.01	Dolomite altered, with azurite, malachite and cuprite visible, weakly ferruginous
K2	440331.00	8846572.00	1187.00	30.86	0.01	Dolomite altered, with azurite without malachite visible, very weathered,
K3	440530.00	8846583.00	1144.00	4.38	0.01	Dolomite, with visible azurite, also malachite in patches.
K4	440323.00	8846577.00	1196.00	3.14	0.01	Brecciated shale, with lot fractures, azurite, malachite visible with black oxide
K5	440259.00	8846553.00	1193.00	3.75	0.01	Brecciated shale, with lot fractures, azurite, malachite visible with black oxide

Table 1: Kate Artisanal Working Rock Chip Sampling Results

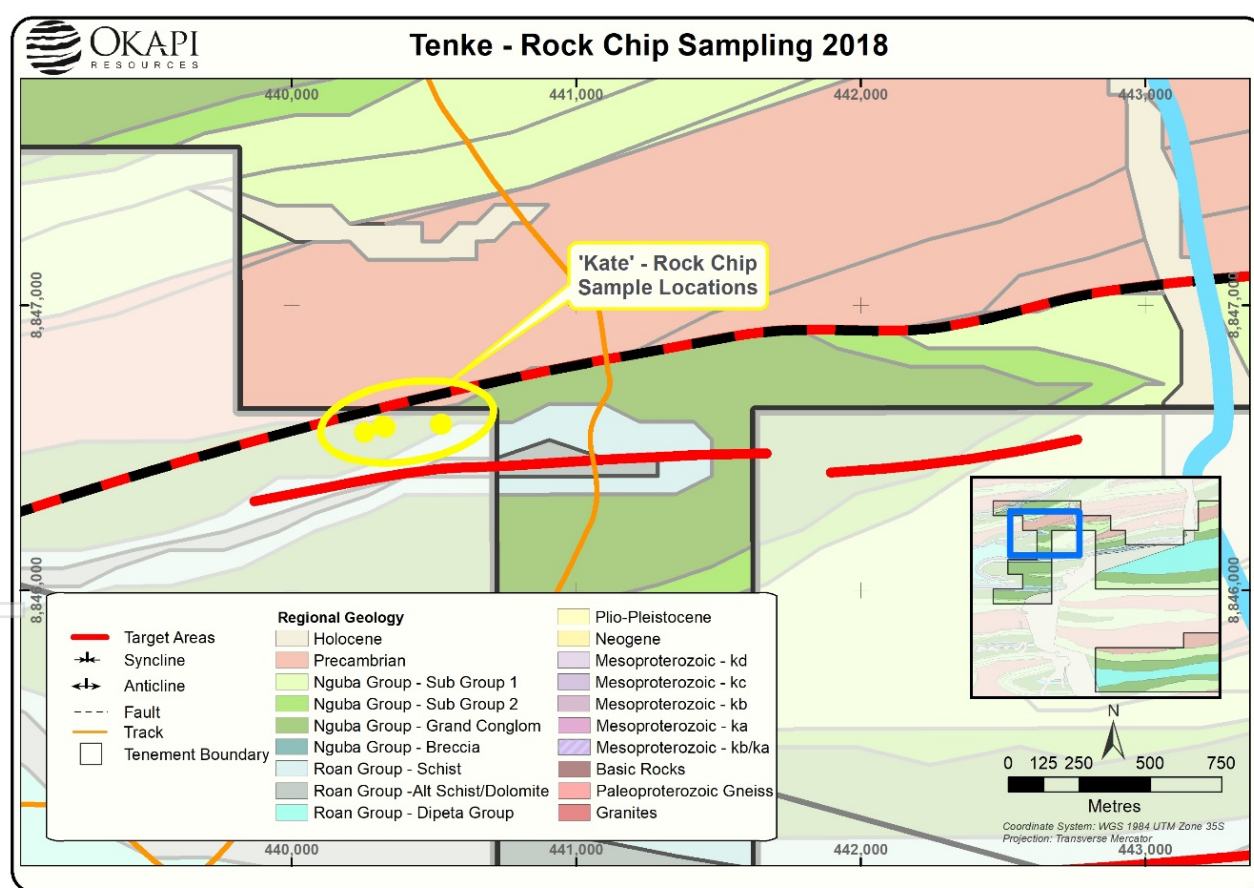


Figure 5: Location Map of the 'Kate' Artisanal Workings showing Sample Locations



## Ntondo Project - PR13380

The Ntondo project covers an area with a structurally controlled NNE trending fault zone which is potentially mineralised and dips shallowly to the east. The fault has deformed prospective Roan rocks up against the overlying sequence of Grand Conglomerate and Kibarian Formation rocks.

These other units were not previously thought to be prospective until the blind, Kamoa Copper project deposit was discovered in Grand Conglomerate host rocks. This fault zone continues into the neighbouring tenement owned by GICC Sarl where the fault has been explored with 26 diamond drill holes and been shown to be mineralised with the best result reported at 39.6m @ 0.86% Cu.

The Ntondo Project describes a series of rocks of both the Roan, Nguba and Kundulunga Groups (**Figure 7**). This geological setting is extremely prospective for both traditional copper/cobalt mineralisation of the district hosted within the Roan sedimentary package (Tondo Cu/Co deposit 12 kilometres east of the license) and for 'Kamoa-Kakula' style mineralisation hosted in the Kundulunga Formation. Kamoa-Kakula is touted as being one of the 4 largest copper deposits in the world and as the highest-grade copper deposit in the world's 10 largest deposits.

Field work at Ntondo was restricted to infrastructure mapping and logistics during the March Quarter. Currently further field work is being planned on the back of knowledge gained in regard to access and infrastructure.

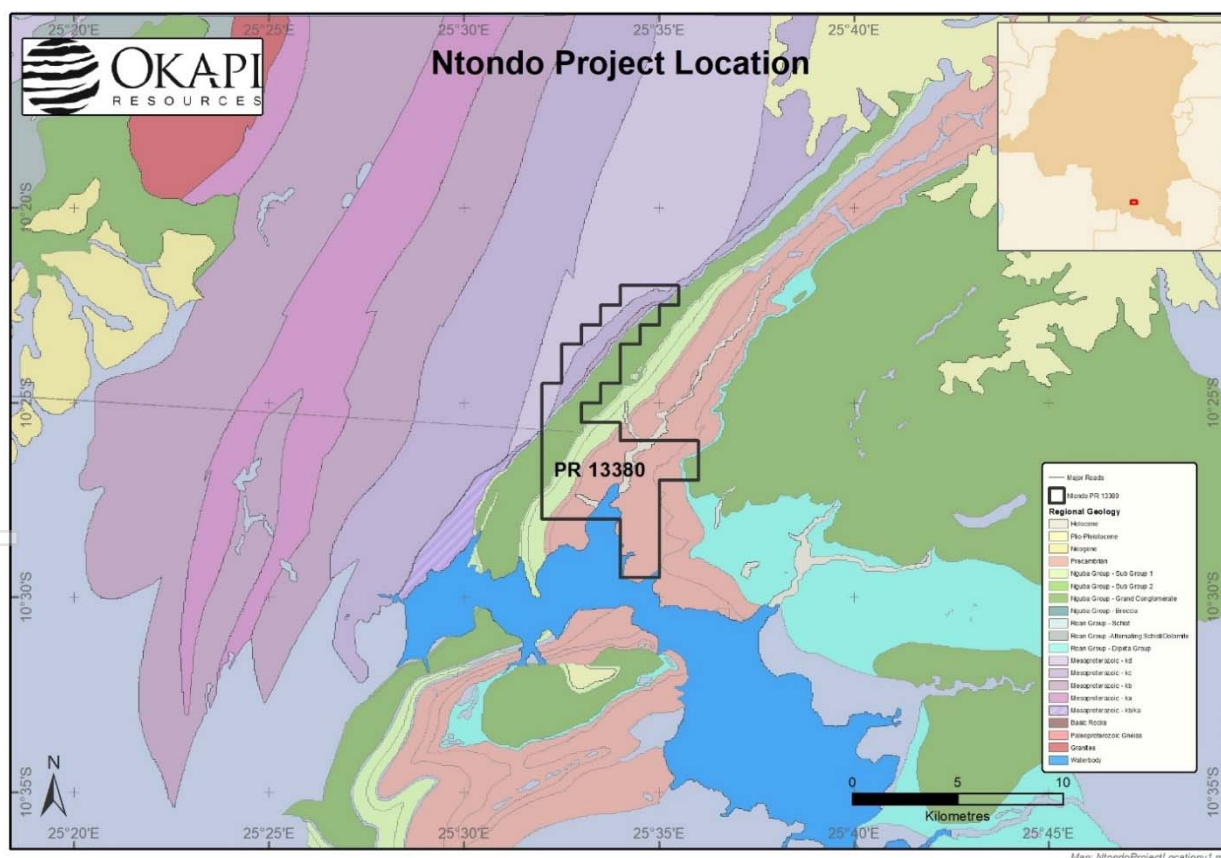


Figure 7: Ntondo Project Geology



## Luisha Project - PR4981

The Luisha Project (**Figure 8**) covers a series of conceptual structural targets based on an interpretation of a local airborne geophysical survey, mapping of nearby geological structures, the likelihood of underlying Roan Formation sedimentary rocks under surficial cover and the presence of large copper cobalt mines nearby.

The Luisha Project is located 3 kilometres to the east of African Metals (TSX: AFR) Luisha South Mine (JORC Inferred Resource – 14.7 Mt @ 1.1% Cu and 0.3% Co)<sup>3</sup> and northwest of Tiger Resources Kipoi Deposit (JORC Measured & Indicated 58.9 Mt @ 1.3% Cu & 0.07% Co)<sup>4</sup>. The project has a similar geological setting to both Kipoi and Luisha South.

Historic work at the Luisha Project has included field mapping, sampling and geophysical surveys. As part of the technical due diligence program Okapi has reviewed historic work and conducted its own field mapping and sampling to verify aspects of previous work. Six outcrop samples were taken as part of the historic work validation program (**Table 2**).

Significant outcrop of highly prospective Roan sediments has been identified in the license area by Okapi geologists including previously unknown areas. Non-pervasive copper mineralisation was also identified in outcropping Roan sediments.

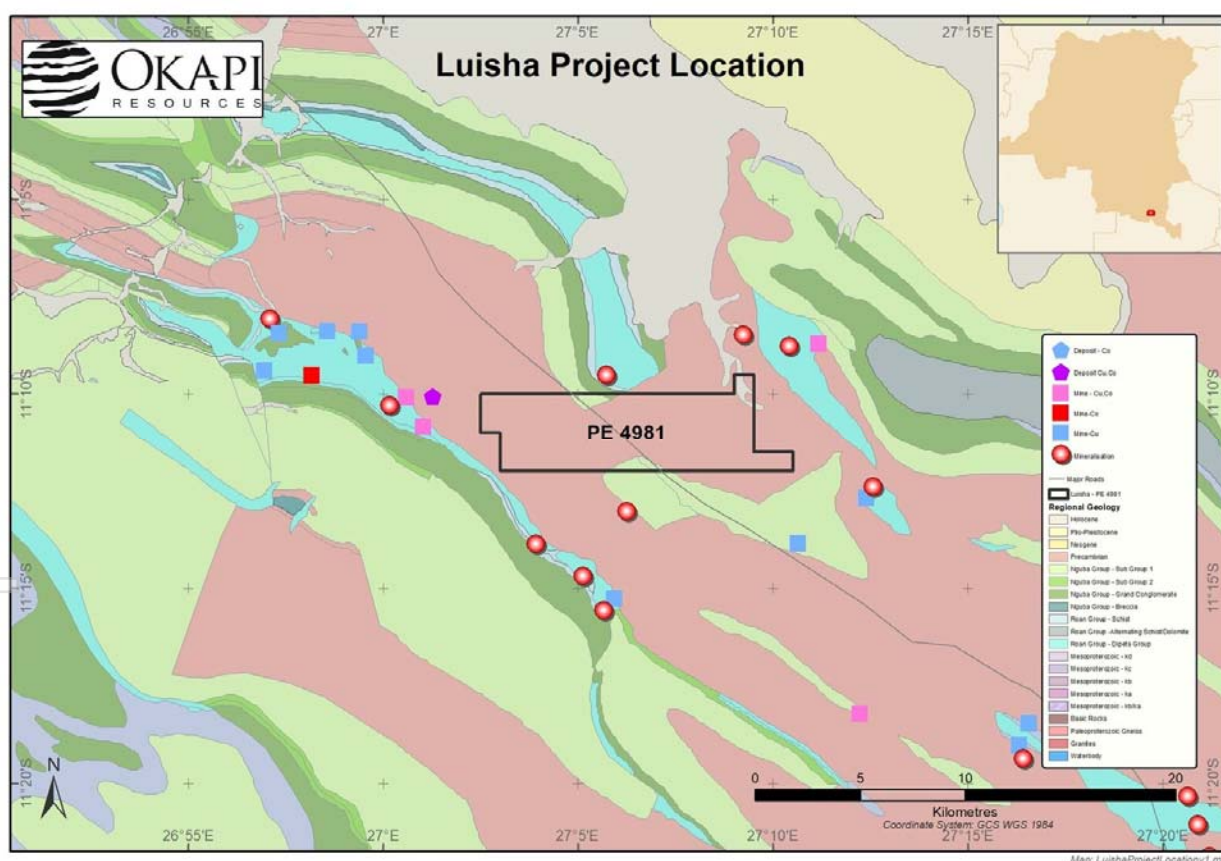


Figure 8: Luisha Location & Geology Map

<sup>3</sup> African Metals Corporation. October 2011 Independent Resource Report Luisha South Prospect. Technical Report (NI43-101) Page 9. Geosure Exploration and Mining Solutions Pty Ltd. [www.sedar.com](http://www.sedar.com)

<sup>4</sup> Tiger Resources Limited web site "[www.tigerresources.com.au](http://www.tigerresources.com.au)" Projects; Resources Tables.

Table 2: Luisha Rock Chip Sample Results

Sample_ID	Easting	Northing	Elevation	Geology
E7001	511903.00	8762199.00	1235.00	Petit conglomerat with malachite along bedding and joints
E7002	511893.00	8762216.00	1233.00	Petit conglomerat with malachite along joints
E7003	511886.00	8762220.00	1233.00	Petit conglomerat with malachite along joints
E7004	511879.00	8762223.00	1233.00	Petit conglomerat with malachite staining along the bedding planes
E7005	511872.00	8762226.00	1232.00	Unsorted grits as petit conglomerat with malachite along joints
E7006	511914.00	8762194.00	1236.00	Petit conglomerat in eastern part. Malachite and azurite on joints.

## The Crackerjack Project Work Completed (100% owned)

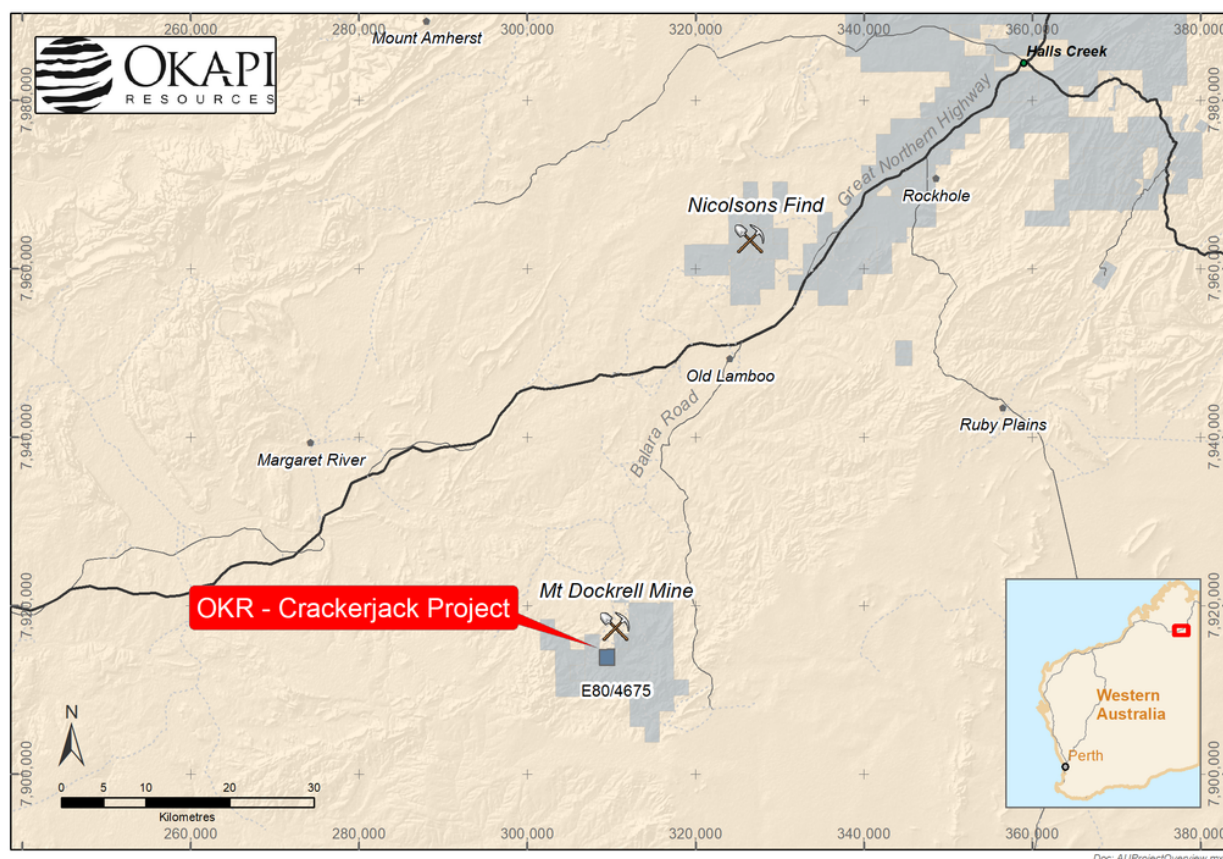


Figure 4: Location Map of the Crackerjack Project

### Exploration Activities for the March Quarter

Activity for the quarter has been limited to desktop multi element review of Okapi rock chip and stream sediment sampling data, review of historic drilling data and the planning of further work programs.

Once this desktop work is completed Okapi will assess the validity of an infill soil sampling program to better target a drilling program potentially in the second half of 2018.

### Corporate

- Okapi held cash reserves at end of quarter of \$5.2 Million.
- Okapi completed a further \$1.5m capital raising. The Company issued a further 2,142,857 shares (at a price of \$0.70 each), with 13.98% shareholder Havelock Mining investment (Hong Kong) participating to maintain their interest in Okapi.

## Tenement Holdings and Movements

### Schedule of Mining Tenements and Beneficial Interests Held as at the end of the March 2018 Quarter

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

### Schedule of Mining Tenements and Beneficial Interests Acquired during the March 2018 Quarter

Project/Location	Country	Tenement	Granted Date
Nil			

### Schedule of Mining Tenements and Beneficial Interests Disposed of during the March 2018 Quarter

Project/Location	Country	Tenement	Withdrawal Date
Nil			

#### Competent Person's Statements

The information in this report that relates to Exploration Results for the Mambasa Gold Project is based on, and fairly represents information and supporting documentation compiled by Mr. Michael Montgomery, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Montgomery is a consultant of Okapi Resources Limited. Mr. Montgomery has sufficient experience that is relevant to the style of mineralisation 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 Resource and Ore Reserves". Mr. Montgomery consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Katanga Project is based on and fairly represents information and supporting documentation compiled by Mr. Nigel Ferguson, a Competent Person whom is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr. Ferguson is an full-time employee of Ridgeback Holdings Pty Ltd and Director of Okapi Resources Limited. Mr Ferguson 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 Ferguson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Crackerjack Project is based on and fairly represents information and supporting documentation prepared by Mr. Matthew Ridgway, a Competent Person who is a member of The Australian Institute of Geoscientists. Mr. Ridgway is a full-time employee of Hydra Consulting Pty Ltd, providing exploration consultancy services to the resource industry. Mr. Ridgway has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Ridgway consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.