



**OKAPI**  
RESOURCES LIMITED

ABN 21 619 387 085

# **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2018**

	Page
Review of Operations	2
Directors' Report	5
Auditor's Independence Declaration	7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Directors' Declaration	19
Audit Review Report to the Members	20

## The Mambasa Project (Option to earn in to 70% interest)

### Background

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

The Mambasa Project is located in a region of well documented gold production and has impressive potential within a favourable stratigraphic and structural setting that is similar to other large-scale gold deposits within the region including AngloGold Ashanti's Geita (20Moz) mine in Tanzania and Loncor Resources Inc's recently defined Makapela (1Moz) and Kilo Gold's Adumbi (1.3Moz) gold projects (**Figure 1**).

The region is an area that is considered to be under explored and having significant potential for large gold resources.

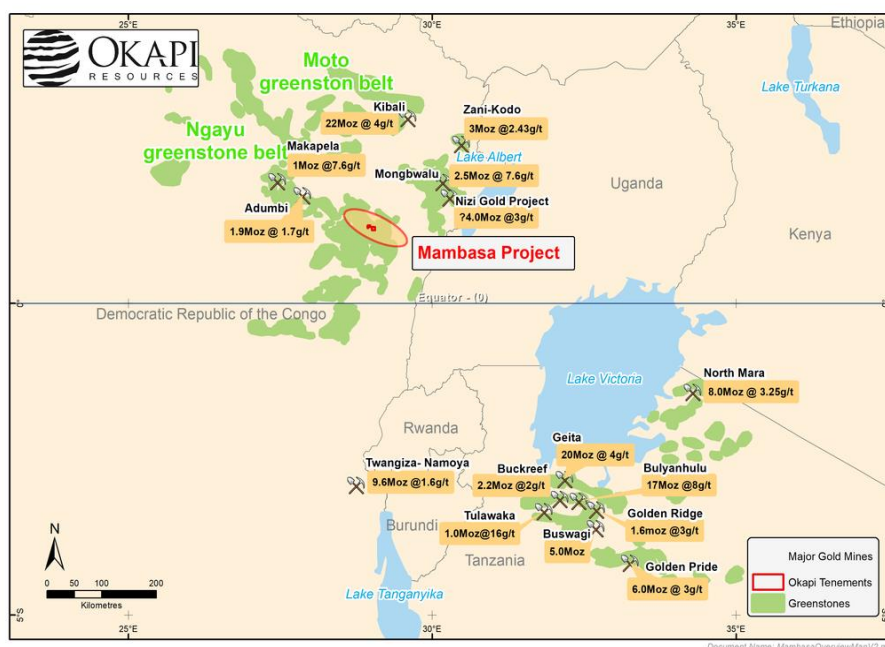


Figure 1: Regional Location Map of the Mambasa Gold Project Showing Nearby Significant Gold Projects.

### Exploration Activities for the Half-year

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

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

Desktop analysis of these results has been carried out in planning of follow up exploration programs.

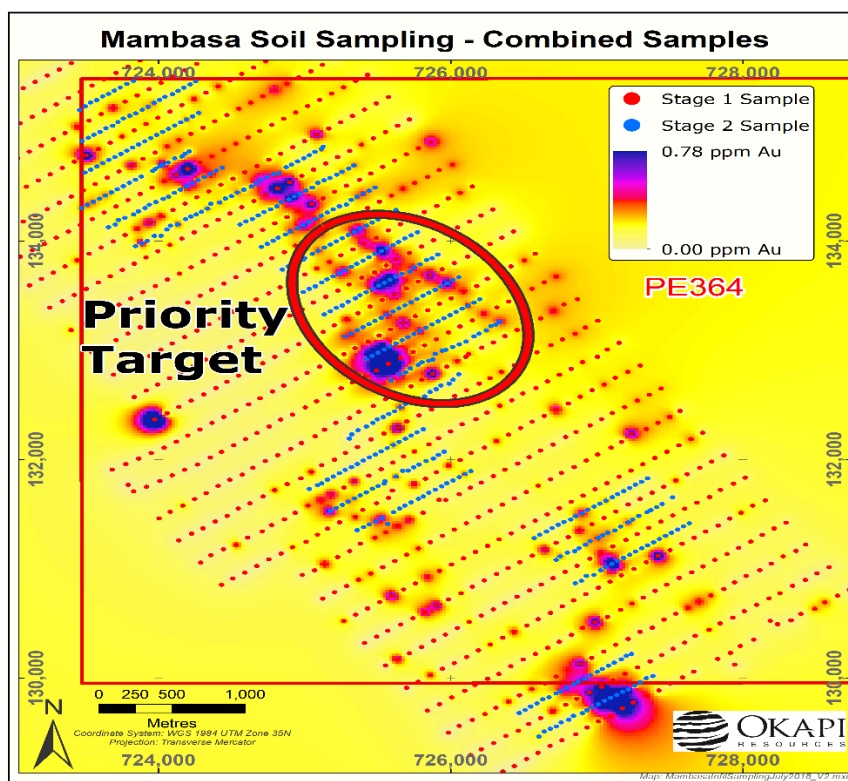


Figure 2: Mambasa Phase 1 Exploration Program - Gold Soil Sampling Results- Stages 1 & 2

### The Crackerjack Project (100% owned)

#### Background

The Crackerjack Project (“Crackerjack”) is located approximately 85 kilometres south-west of Halls Creek in the Kimberley District of Western Australia (*Figure 3*).

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.

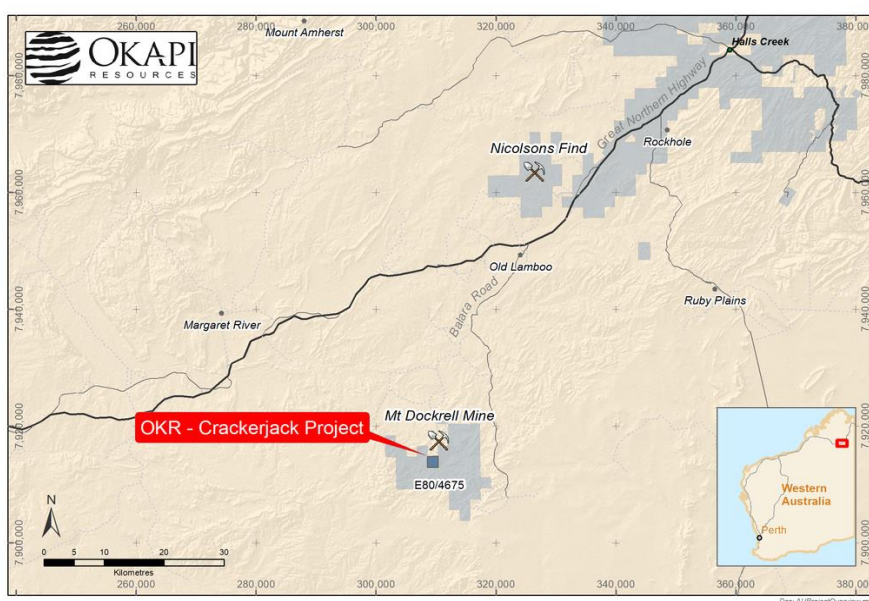


Figure 3: Location Map of the Crackerjack Project

### *Exploration Activities for the Half-year*

The half year, the Company completed a Phase 2 mapping and sampling program, that focused upon following up on the initial program so as to better understand those initial results. This follow-up program consisted of 77 hard rock samples. The assay results have further the initial results at and around several prospects (**Figure 4**) 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

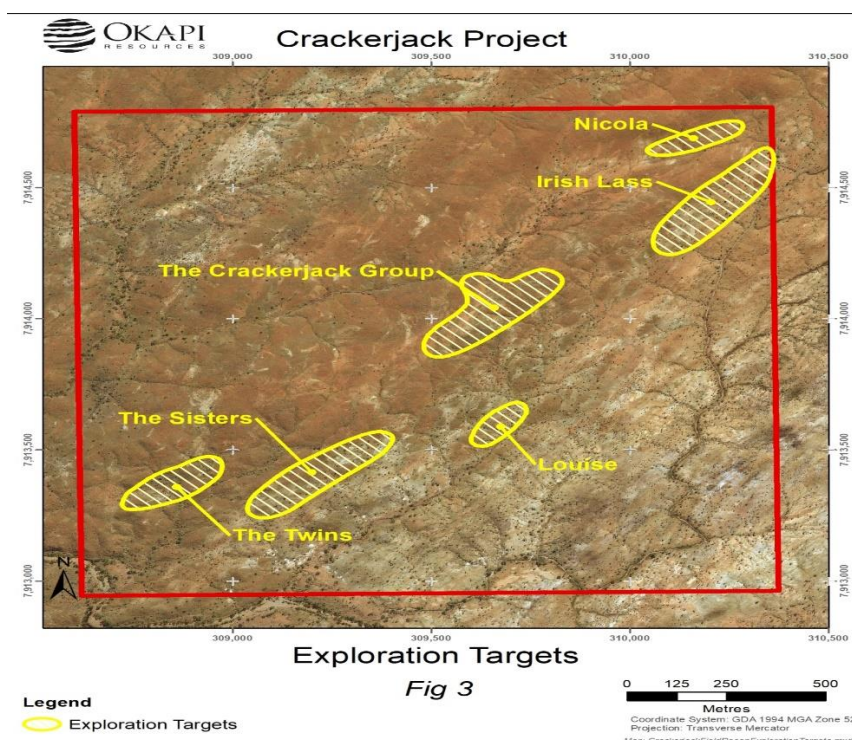


Figure 4: Crackerjack Project Prospectivity Locality Map

### **CORPORATE**

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

In December 2018, Okapi participated in a strategic private placement (\$200,000 investment) in ASX listed Amani Gold Limited (“Amani”). Amani owns the Giro Gold Project (“Giro”), which comprises two exploration permits covering a surface area of 497km<sup>2</sup> and lying within the Kilo-Moto Belt (Democratic Republic of Congo), a significant under-explored greenstone belt and which hosts Randgold Resources’ 16 million-ounce Kibali group of deposits within 35km of Giro.

Subsequent to the reporting date, Okapi has made a further \$521,000 investment in Amani and now holds an ~8% interest.

*The information in this report that relates to Exploration Results 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) and Member of the Australian Institute of Geoscientists (MAIG). Mr. Ferguson is a 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.*

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 2018.

## **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:

Klaus Eckhof – Non-executive Chairman  
Nigel Ferguson – Managing Director  
Raymond Liu - Non-executive Director

## **COMPANY SECRETARY**

Craig Nelmes – 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 the Democratic Republic of Congo ("DRC"), as well as Australia.

The Group's Mineral Exploration Projects consist of early-stage exploration over areas that have not been subject to significant exploration such as the Crackerjack Project, Australia, to more advanced exploration within the Democratic Republic of Congo ("DRC") in areas that have recorded historical mining activity and current artisanal activity at the Mambasa Project.

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 2018 was a loss after tax of \$425,624 (2017: \$666,320).

## **EARNINGS PER SHARE**

The basic loss per share for the period ended 31 December 2018 was 1.24 cents (2017: 3.2 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**

There were no significant changes in the state of affairs of the Group during the financial period, other than the investment made in Amani Gold Limited as referred to in the Subsequent Events.

#### **SUBSEQUENT EVENTS**

Since the end of the financial period and to the date of this report, 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, except for on 4 March 2019, Okapi completed a further \$521,000 equity investment in Amani Gold Limited ("Amani" ASX: ANI) after the allotment of 75 Million shares applied for under Amani's recent entitlement offer and a further 185.3 Million of the available shortfall shares. The Company now holds an ~8% interest in Amani.

#### **AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the period ended 31 December 2018 has been received and forms part of the Directors' report and can be found on page 7 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.



**Nigel M Ferguson**  
**Director**

11 March 2019  
Perth, Western Australia


## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Okapi Resource Limited for the half year ended 31 December 2018, 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 2018.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA  
Director

Perth

Date: 11 March 2019



**Okapi Resources Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the period ended 31 December 2018**

	Note	31 Dec 2018 \$	31 Dec 2017 \$
<b>Revenue</b>			
Interest income		27,388	14,144
Change in fair value of investments		50,000	-
<b>Expenditure</b>			
Audit fees		(6,168)	(7,576)
Compliance expenses		(41,520)	(37,031)
Corporate expenses		(27,532)	(53,858)
Depreciation		(4,073)	-
Director fees		(123,208)	(108,436)
Employees & consultants		(35,209)	(34,573)
Share based payments	6(c)	(77,137)	(364,277)
Exploration expenses	2	(99,345)	-
Occupancy		(3,570)	-
Promotional & website		(43,851)	(47,971)
Administration		(41,399)	(26,742)
Loss before income tax		(425,624)	(666,320)
Income tax expense		-	-
<b>Loss after income tax from continuing operations</b>		(425,624)	(666,320)
<b>Other Comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>		-	-
<b>Total comprehensive income for the year</b>		(425,624)	(666,320)
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)		1.24	3.20

*The accompanying notes form part of these consolidated financial statements*

**Okapi Resources Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2018**

	Note	31 Dec 2018 \$	30 June 2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,168,245	4,926,958
Trade and other receivables		41,642	78,175
Other assets		5,760	9,375
<b>Total current assets</b>		<b>4,215,647</b>	<b>5,014,508</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	3	250,000	-
Deferred exploration & evaluation	2	742,535	594,160
Property, plant & equipment		21,657	25,731
		<b>1,014,192</b>	<b>619,891</b>
<b>Total assets</b>		<b>5,229,839</b>	<b>5,634,399</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		76,488	132,561
<b>Total current liabilities</b>		<b>76,488</b>	<b>132,561</b>
<b>Total liabilities</b>		<b>76,488</b>	<b>132,561</b>
<b>Net assets</b>		<b>5,153,351</b>	<b>5,501,838</b>
<b>Equity</b>			
Issued capital	5(a)	6,236,473	6,236,473
Reserves	6	517,292	440,155
Accumulated losses		(1,600,414)	(1,174,790)
<b>Total equity</b>		<b>5,153,351</b>	<b>5,501,838</b>

*The accompanying notes form part of these consolidated financial statements*

**Okapi Resources Limited**  
**Statement of Changes in Equity**  
**For the period ended 31 December 2018**

<b>2018</b>	<b>Issued Capital \$</b>	<b>Share-based Payments Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<i>Opening Balance – 1 July 2018</i>	<b>6,236,473</b>	<b>440,155</b>	<b>(1,174,790)</b>	<b>5,501,838</b>
Loss for the period	-	-	(425,624)	(425,624)
<i>Total comprehensive income for the period</i>	-		(425,624)	(425,624)
Shares issued during the period (Note 4(b))	-	-	-	-
Share based payments – performance rights issued	-	77,137	-	77,137
Share issue costs	-		-	-
<i>Balance as at 31 Dec 2018</i>	<b>6,236,473</b>	<b>517,292</b>	<b>(1,600,414)</b>	<b>5,153,351</b>
<b>2017</b>	<b>Issued Capital \$</b>	<b>Share-based Payments Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<i>Opening Balance – 1 July 2017</i>	<b>101,480</b>		(27,462)	74,018
Loss for the period	-	-	(666,320)	(666,320)
<i>Total comprehensive income for the period</i>	-		(666,320)	(666,320)
Shares issued during the period (Note 4(b))	5,100,000	-	-	5,100,000
Share based payments – performance rights issued	-	364,277	-	364,277
Share issue costs	(385,569)		-	(385,569)
<i>Balance as at 31 Dec 2017</i>	<b>4,815,911</b>	<b>364,277</b>	<b>(693,782)</b>	<b>4,486,406</b>

*The accompanying notes form part of these consolidated financial statements*

**Okapi Resources Limited**  
**Consolidated Statement of Cash Flows**  
**For the period ended 31 December 2018**

	Notes	31 Dec 2018 \$	31 Dec 2017 \$
<b>Cash flows from operating activities</b>			
Interest received		27,388	14,144
Payments for exploration & evaluation		(255,712)	(236,708)
Payments to suppliers and employees		(330,389)	(290,040)
<b>Net cash outflows from operating activities</b>		<b>(558,713)</b>	<b>(512,604)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of minerals tenements		-	(113,215)
Payment for equity investments		(200,000)	-
Payments for plant & equipment		-	(29,940)
<b>Net cash outflows from investing activities</b>		<b>(200,000)</b>	<b>(143,155)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue		-	5,000,000
Share issue (including IPO) costs		-	(328,038)
<b>Net cash inflows from financing activities</b>		<b>-</b>	<b>4,671,963</b>
<b>Net (decrease) increase in cash and cash equivalents held</b>		<b>(758,713)</b>	<b>4,016,204</b>
Cash and cash equivalents at the beginning of the period		4,926,958	19,062
<b>Cash and cash equivalents at the end of the period</b>		<b>4,168,245</b>	<b>4,035,266</b>

*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 2018 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 2018.

***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 2018 and the results of all subsidiaries for the period. Okapi Resources Mining 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.

**(i) Subsidiaries (continued)**

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 statement of profit or loss as applicable.

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

**Standards and Interpretations applicable to 31 December 2018**

In the half-year ended 31 December 2018, 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 2018.

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 2019.

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**

	<b>31 December 2018 \$</b>	<b>30 June 2018 \$</b>
<b>Non-current</b>		
Deferred exploration & evaluation – at cost	<b>742,535</b>	594,161
<i>Movement for the period</i>		
Beginning of financial period	594,161	
Exploration and evaluation costs for the period (i)	247,719	
Exploration & project due diligence costs written-off	(99,345)	
End of the financial period	<b>742,535</b>	

- (i) The Group has capitalised all costs associated with its 100% Crackerjack (Australia) and its earn-into the Mambasa Project (DRC). 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**

	<b>31 December 2018 \$</b>	<b>30 June 2018 \$</b>
<i>Financial assets at fair value through profit or loss</i>		
ASX listed equity securities	250,000	-
	<b>250,000</b>	-

- (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 gain of \$50,000 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

#### 4. FAIR VALUE MEASUREMENT (CONTINUED)

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
	\$	\$	\$	\$
<b>December 2018</b>				
Listed equity securities	250,000	-	-	250,000
Fair value at 31 December 2018	250,000	-	-	250,000

#### 5. ISSUED CAPITAL

	31 December 2018 \$	30 June 2018 \$
<b>(a) Share capital</b>		
34,342,867 ordinary fully paid shares (June 2018: 34,342,867)	6,236,473	6,236,473

	31 December 2018	
	Number of shares	\$
<b>(b) Movements in share capital for the financial period</b>		
<i>Balance at beginning of the financial period</i>	34,342,867	6,236,473
<i>Issued during the period:</i>		
No movement for the period	-	-
<i>Balance at end of the financial period</i>	34,342,867	6,236,473

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

During the financial period there were no new issues of Performance Rights, for which there currently exists three Class each with specific performance hurdles:

	Class A	Class B	Class C	Total
	No.	No.	No.	No.
Opening – 1 July 2018	1,699,999	2,149,999	2,150,002	6,000,000
No issues for the period.	-	-	-	-
Closing – 31 December 2018	1,699,999	2,149,999	2,150,002	6,000,000

#### (d) Performance rights – Vesting Conditions

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

**Class A** - the Company achieving and maintaining a market capitalisation of \$12m or more for a continuous period of 30 days on or before 31 December 2021, and the vesting condition was met on 14 December 2017. No exercise of these performance rights has been received as at the date of this report.

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

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

#### (e) Performance Rights Plan

The Incentive Performance Rights Plan was last approved by shareholders at the 2017 AGM.

**Okapi Resources Limited**  
**Notes to the Consolidated Financial Statements**  
**For the period ended 31 December 2018**

**6. RESERVES**

	31 December 2018 \$	30 June 2018 \$
<b>(a) Reserves</b>		
Share-based payments reserve	517,292	440,155
	<u>517,292</u>	<u>440,155</u>
<b>(b) Movements:</b>		
Balance at beginning of period	440,155	
Share based payments expense – performance rights (Note 6(c))	77,137	
Balance at end of period	<u>517,292</u>	

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

	Class A	Class B	Class B	Class C	Class C
Number Issued (No.)	1,699,999	1,699,999	450,000	1,700,002	450,000
Grant Date	28-Sep-2017	28-Sep-2017	21-Dec-2017	28-Sep-2017	21-Dec-2017
Expiry/Amortisation Date	14-Dec-2017 <sup>1</sup>	31-Dec-2021	31-Dec-2021	31-Dec-2021	31-Dec-2021
Volatility percentage (%)	100%	100%	100%	100%	100%
Risk free rate (%)	1.5%	1.5%	1.5%	1.5%	1.5%
Underlying Fair Value on Grant (\$)	\$0.20	\$0.1112	\$0.3187	\$0.1007	\$0.2958
Total Fair Value (\$) – Life of Right	\$340,000	\$189,040	\$143,415	\$171,190	\$133,110
Total Fair Value (\$) – Expensed 6 months to 31 Dec 2018	- <sup>1</sup>	\$22,340	\$17,927	\$20,231	\$16,639
					<u>\$77,137</u>

<sup>1</sup> The vesting condition was achieved on 14 December 2017 (Note 5(d))

## 7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified two reportable segments being exploration activities undertaken in the Australasian and African geographical regions.

Each segment includes the activities associated with the determination and assessment of the existence of commercial economic reserves from the Group's interest (including where an interest is being contractually earned) in mineral assets.

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

	Australasia		Africa		Consolidated Total	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2017	31 Dec 2017
	\$		\$		\$	\$
Segment revenue	-	-	-	-	-	-
Reconciliation of segment revenue to total revenue before tax:						
Interest revenue					27,388	14,144
Other revenue					50,000	-
<b>Total revenue</b>					<b>77,388</b>	<b>14,144</b>
Segment result	(7,288)	(29,975)	(92,855)	(19,983)	(100,143)	(49,958)
Reconciliation of segment result to net loss before tax:						
Share based payments – performance rights and options					(77,137)	(364,277)
Other corporate and administration					(248,344)	(252,085)
<b>Net loss before tax</b>					<b>(425,624)</b>	<b>(666,320)</b>
	31 Dec 2018	30 Jun 2018	31 Dec 2018	30 Jun 2018	31 Dec 2018	30 Jun 2018
	\$	\$	\$	\$	\$	\$
Segment operating assets	251,171	199,303	515,350	455,294	766,521	654,597
Reconciliation of segment operating assets to total assets:						
Other corporate and administration assets					4,463,318	4,979,803
<b>Total assets</b>					<b>5,229,839</b>	<b>5,634,400</b>
Segment operating liabilities	-	726	-	22,477	-	23,203
Reconciliation of segment operating liabilities to total liabilities:						
Other corporate and administration liabilities					76,488	109,358
<b>Total liabilities</b>					<b>76,488</b>	<b>132,561</b>

**8. LOSS PER SHARE**

	December 2018 \$	December 2017 \$
<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	425,624	666,320
<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	34,342,867	21,102,713
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)	<b>1.24</b>	<b>3.2</b>

**9. SUBSEQUENT EVENTS**

Since the end of the financial period and to the date of this report, 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, except for the following:

On 4 March 2019, Okapi completed a further \$521,000 equity investment in Amani Gold Limited ("Amani" ASX: ANI) after the allotment of 75 Million shares applied for under Amani's recent entitlement offer and a further 185.3 Million of the available shortfall shares. The Company now holds an ~8% interest in Amani.

In the directors' opinion:

1. the financial statements and notes set out on pages 8 to 18 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 2018 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.



**Nigel M Ferguson**  
**Director**

11 March 2019  
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 2018 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 2018 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*.

#### Directors' responsibility for the half year 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 the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half year financial report.

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 audited 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.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA  
Director

Perth

Date: 11 March 2019