

Sunday 5th March, 2017

Positive Gold Drill Results in Mali – Portfolio Stock (coverage initiated @ \$0.08 in Nov 2015)

Oklo Resources (ASX: OKU, Share Price: \$0.195, Market Cap: \$29m) has enjoyed strong and immediate success with respect to its gold exploration activities in western and southern Mali. Oklo has assembled a portfolio of seven strategically-located projects that encompass a total of 1,389 sq km. Results from initial air-core, RC and diamond drilling have returned spectacular high-grade mineralisation.

Oklo's 2016/17 exploration drilling campaign is underway - with 40,000m of auger drilling almost complete at its Moussala Project, where a coherent gold trend at the Seko prospect has been outlined that extends northwards from an area of shallow laterite pits for over 1.6km, with grades of up to 3.28g/t gold.



Market Significance

Oklo's share price has surged from a 12-month low of \$0.076 in March 2016 to a recent high of \$0.21 during February 2017. The key price mover remains momentum associated with drilling activity and other exploration work related to evaluation of the Diabarou prospect's open-pit resource potential - with the ultimate aim of a maiden JORC 2012-compliant resource. The company recently completed an initial Phase 1 47,000-metre drilling program at its Dandoko and Moussala projects, designed to test a series of advanced and early-stage gold targets, with a further 25,000-metre program now already underway.

Announcement Detail – Dandoko and Moussala Project Update

Oklo Resources has provided an update with respect to the recently completed Phase 1 auger and RC drilling campaign at the Dandoko and Moussala projects in western Mali. The Dandoko and Moussala Projects are strategically located within the Kenieba Inlier of western Mali - lying within 30km to the east of B2Gold's 5.15Moz Fekola Project and 50km to the south-southeast of Randgold's 12.5Moz Loulo Mine.

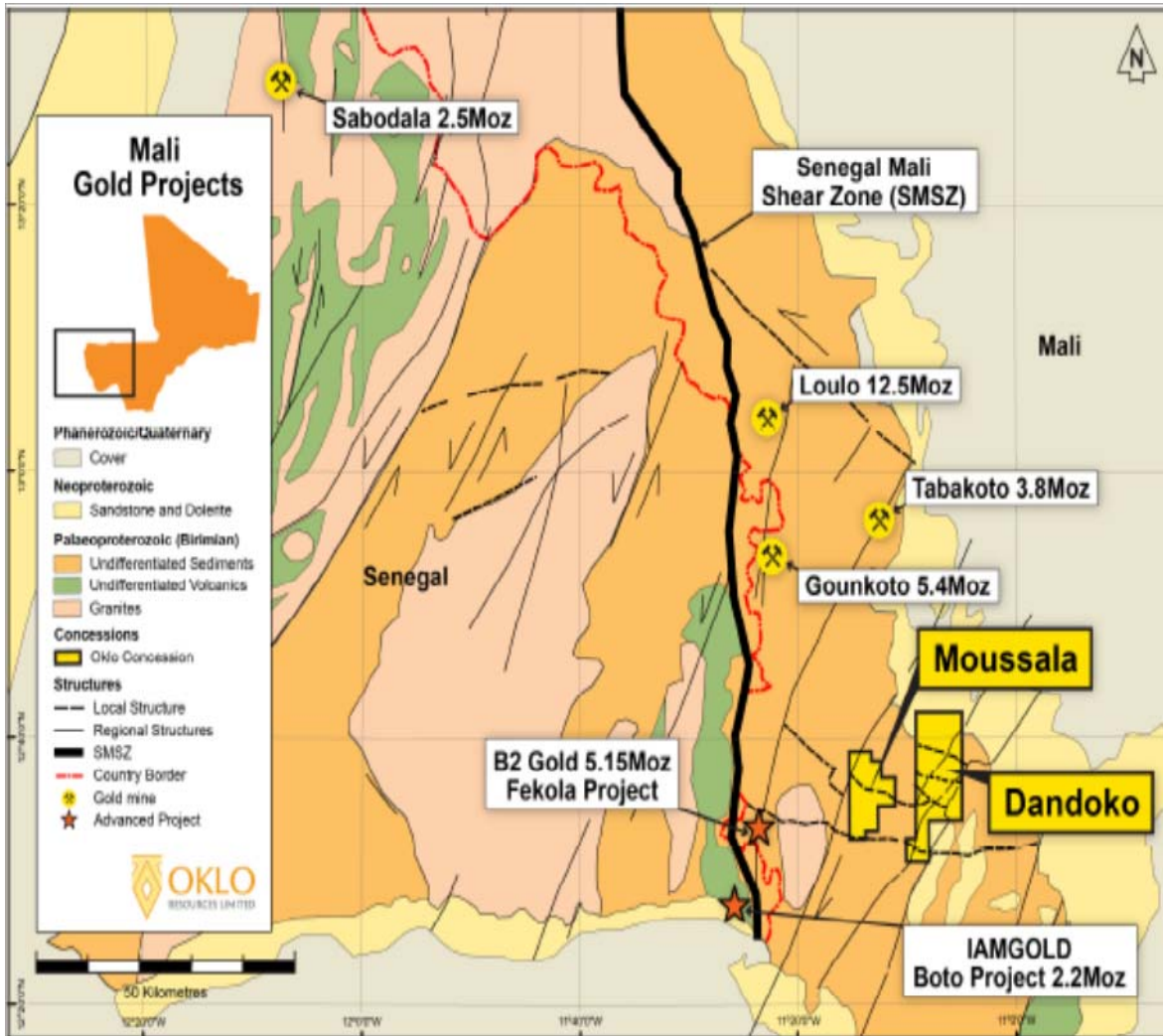


Figure 1: Location of Dandoko and Moussala Gold Projects in West Mali

A seven-hole RC drilling program was completed during January at the Disse prospect within the Dandoko Project to test the strike extents of the significant gold mineralisation previously reported from a shallow air-core hole (21 metres at 5.60g/t gold) and a deeper diamond hole (13 metres at 4.69g/t gold).

Significantly, the Disse prospect is located ~2km to the southwest of the Seko trend, where recent auger drilling outlined a series of coherent gold anomalies of up to 2km in length - with grades of up to 3.28g/t gold.

The seven RC holes, drilled on 150-metre spaced sections over a total strike length of 550 metres, were successful in intersecting further significant gold mineralisation.

- 16 metres at 3.00g/t gold (including 3 metres at 10.12g/t gold)
- 3 metres at 22.67g/t gold (including 1 metre at 64.80g/t gold)
- 4 metres at 8.39g/t gold (including 2 metres at 15.85g/t gold)
- 16 metres at 1.21g/t gold (including 2 metres at 5.10g/t gold)

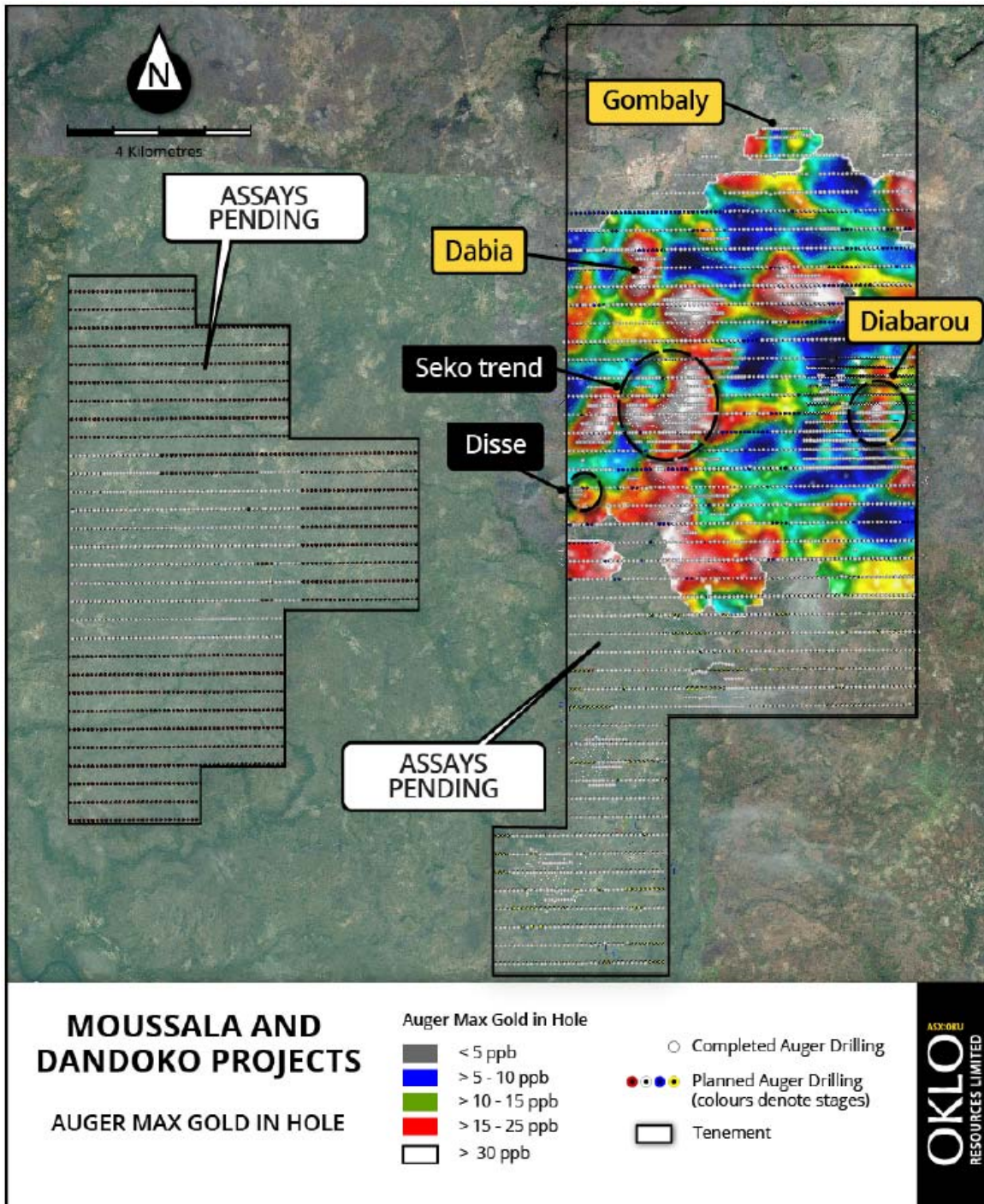


Figure 2: Dandoko and Moussala Projects, location plan of Disse and Seko prospects with auger drill holes and maximum gold-in-hole values

Meanwhile, the Phase 1 40,000-metre reconnaissance auger geochemical program was recently completed, aimed at improving the geological and geochemical understanding of prospective target areas within the Dandoko and Moussala projects by cheaply and efficiently penetrating below the extensive tracts of lateritic and transported cover.

Technical Significance

The seven RC holes have successfully outlined gold mineralisation along the entire 550 metre strike length, which remains open in both directions. Significantly, the recently discovered Seko gold anomalies are located ~2km to the northeast of Disse, where auger drilling successfully outlined extensive gold anomalies including:

- a western coherent trend extending over 1.6km, with grades of up to 3.28g/t gold
- a central parallel ~2.0km long gold trend, with grades of up to 2.42g/t gold
- further anomalous zones of over 800 metres in length

Separately, the 40,000-metre reconnaissance auger geochemical program was recently completed. It was designed to improve the geochemical understanding of the target areas by cheaply and efficiently penetrating below the extensive tracts of lateritic and transported cover that mask the underlying geology.

Assay results received so far from Dandoko have successfully outlined new and encouraging zones of strong gold anomalism, most notably at the Seko area, which are interpreted to be related to prospective northeast-trending, regional-scale structures. The Seko trend also extends to the north of artisanal workings, which consist of shallow pits within the lateritic profile and upper saprolite zone, where the artisanal workers are recovering free gold.

Next Steps

The Phase 2 drilling campaign for an additional 25,000 metres of infill auger, air-core and RC drilling is now well underway with six auger rigs currently in operation at the Dandoko and Moussala projects. To date, a total of 4,250 holes for 49,557 metres have been completed at Dandoko, along with 541 holes for 5,682 metres at Moussala at an average hole depth of 11 metres.

Infill auger drilling of the Seko trend has now been completed, with deeper air-core drilling planned to commence immediately upon receipt of the assay results. The drilling programs form a part of the company's aggressive exploration program that is fully funded from its existing cash reserves.

Project Overview

The Dandoko Project is located within the Kenieba Inlier of western Mali and lies 30km east of B2Gold's 5.15-Moz Fekola Gold Project and 50km to the south-southeast of Randgold's 12.5-Moz Loulo Gold Mine. Importantly most of the big mines in western Mali are located adjacent to northeast-trending splay structures off the Senegal Mali Shear Zone (SMSZ).

Similar northeast-trending structural trends have been delineated by Oklo within its project areas through a detailed interpretation of airborne magnetics. Follow-up geochemical sampling has identified numerous gold-in-soil anomalies along these structural trends - including Diabarou, Disse and Selingouma.

The Diabarou prospect covers an area of approximately 1.2km x 1.0km, where artisanal miners have exposed gold-bearing quartz veins of up to 3 metres in width extending for over 600 metres. Previous surface geochemistry has returned rock-chip samples measuring to 64g/t gold and peak soil values of up to 0.89g/t gold. High-grade gold results of up to 68.3g/t gold were returned from channel samples collected at the base of the artisanal workings.

Summary

We initiated coverage of Oklo Resources around \$0.08 during November 2015 – representing a current gain of 144%.

The company represents a fairly straightforward exploration story. It utilized declining interest in West African gold projects over previous years to its advantage, allowing it to assemble a high-quality exploration tenement portfolio in Mali, the continent's third-largest gold producing nation.

Drilling at Dandoko has highlighted potential for extensive gold mineralised alteration systems, which hosts high-grade mineralization at relatively shallow depths. Importantly, the mineralisation is similar in style to many other large deposits found nearby in western Mali, which augurs well for its attempts to outline a large, open-pittable gold deposit.

Oklo will maintain its aggressive work programs through the remainder of the 2016/17 dry season, with the aim of assembling a maiden JORC 2012 Resource estimate, fully funded by existing cash reserves of around \$7 million.

Accordingly, Oklo Resources will remain firmly held within our Portfolio.

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