

Oklo Resources - (ASX: OKU, Share Price: \$0.39, Market Cap: \$118m, coverage initiated @ \$0.08 in Nov 2015 – current gain of 387%)



Key Catalyst

Primary gold mineralisation confirmed at depth at Seko prospect in Mali.

In our most recent coverage on 28th November we highlighted an encouraging progress report that OKU had just released with respect to its 2018 Phase 1 drilling program at its Seko prospect, situated within its Dandoko Project in Mali. The program comprised successful infill and step-out holes that identified extensions and higher-grade zones to previously reported shallow, oxide gold mineralisation.

Some of the best intercepts comprised 42m at 6.14g/t gold from surface to end-of-hole - including 7m at 15.10g/t gold from 27m, and 30m at 4.47g/t gold from surface – including 7m at 6.49g/t gold from 3m.

Drilling continued after that release, comprising programs designed to test for both strike and depth extensions to the significant shallow oxide gold mineralisation previously encountered at Seko, through air-core drilling to a vertical depth of around 80m and deeper RC and diamond drilling to vertical depths of between 180-200m.

Encouragingly, assay results from the first 17 RC holes testing for depth extensions have confirmed primary gold mineralisation at both the Seko Anomaly 2 (SK2) and Seko Anomaly 3 (SK3).

At SK2, hole RCSEK17-012 intersected 59m at 2.00g/t gold from a depth of 91m (with the hole ending in mineralisation), whilst hole RCSEK 17-014 intersected 79m at 2.17g/t gold from surface and hole RCSEK 17-015 intersected 35m at 2.21g/t gold from surface.

At SK3, hole RCSEK17-006 intersected 27m at 1.41g/t gold from 59m (with the hole ending in mineralisation), whilst hole RCSEK17-002 intersected 26m at 1.51g/t gold from 58m and hole RCSEK17-007 intersected 49m at 1.76g/t gold from 49m.

Technical Significance

The air-core and RC drilling programs underway at Seko comprises predominantly 80m-spaced step-out and 40m-spaced infill traverses along three Seko anomalies, where previous reconnaissance air-core drilling intersected significant widths of shallow, oxide gold mineralisation from five of the anomalies tested.

The shallow air-core drilling conducted so far has not adequately defined the structural controls and plunge to the Seko gold mineralisation, so this will continue to be the focus of the ongoing RC and diamond drilling components of the Phase 1 program.

The RC holes have penetrated fresh rock at depths of around 55m at SK2 and 100m at SK3, indicating a deep and extensive weathering profile at Seko. In addition to outlining further significant zones of oxide gold mineralisation, the RC holes have also successfully confirmed comparable widths and grades of gold mineralisation within fresh rock. They have allowed OKU to gain a better understanding of the controls to the mineralisation and confirm Seko's potential to host a large gold system.

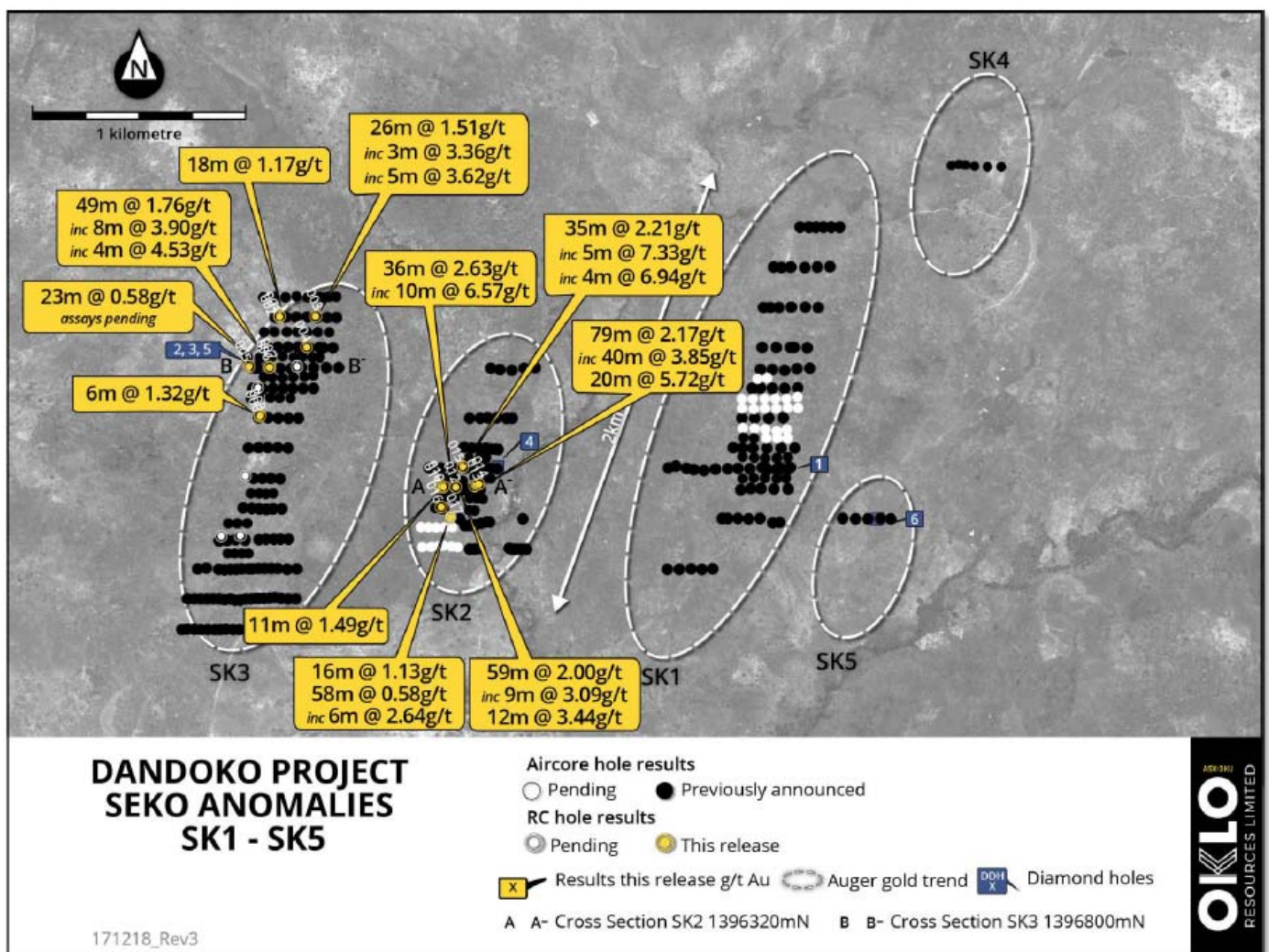


Figure 1: Location of completed AC infill drill traverses and RC and DD drill-holes over Seko Anomalies SK1-SK5.

At anomaly SK2, exceptional grades and widths of gold mineralisation have been returned from surface, including 42m at 6.14g/t gold from surface to the end of hole – with gold mineralisation remaining open at depth and along strike. Deeper RC holes are now testing beneath a small area of artisanal mining which has restricted access of the air-core rig. Significantly, the best intersections so far trend into this zone, which remains open and untested to the south-west.

At anomaly SK3, air-core drilling has successfully extended the known mineralisation a further 80m to the north, also remaining open along strike. The northernmost line returned 34m at 1.57g/t gold from 63m and included 15m at 2.26g/t gold from 72m. The SK3 trend currently extends over 1.2km, with wide low-grade intersections encountered in the southern sector that require further testing. At the northern end of the trend, a higher grade zone extends over 400m metres and remains open along strike.

Next Steps

A total of 114 air-core holes for 9,728m and 23 RC holes for 3,267m have been completed to date as part of the 2018 Phase 1 drilling campaign, with results pending from a further 34 air-core and six RC holes. To accelerate the shallow infill air-core drilling program, a second drill rig has recently mobilised to site, with the other rig now dedicated to the deeper RC and DD drilling. Drilling will pause over the Christmas-New Year period and restart in the first week in January 2018. The Phase 1 program is scheduled to be completed by the end of January 2018 at an estimated cost of \$3.5 million.

Summary

Drilling at Dandoko has highlighted potential for extensive gold mineralised alteration systems, most notably at the Seko area, which hosts robust gold mineralization at relatively shallow depths – and has now been demonstrated to continue at depth. Significantly too, 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-pit table gold deposit – measuring in the millions of ounces. Regionally, OKU's Dandoko Project and adjoining Moussala and Kouroufing Projects are located within the Kenieba Inlier of western Mali and lie within 30km to the east of B2Gold's 5.15Moz Fekola Mine and 50km to the south-southeast of Randgold's 12.5Moz Loulo Mine. OKU will continue to remain firmly held within our Portfolio.

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