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New Field Season Underway in Mali – Portfolio Stock (coverage initiated @ \$0.08 in Nov 2015)

Oklo Resources (ASX: OKU, Share Price: \$0.13, Market Cap: \$31m) has enjoyed immediate success during 2016 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 has advised that its 2016/17 exploration season is well underway - with auger drilling in progress at its Moussala Project, whilst 7,000m of RC drilling is underway at its Diabarou prospect to test the strike length of high-grade gold and to test below and along from previous air-core drilling at the Disse prospect.



Market Significance

Oklo's share price surged from a recent low of \$0.05 in January to a recent 12-month high of \$0.25 in July, before retracing in line with a broader sector-wide consolidation in the gold space. The key driver remains activity and further drilling for high-grade gold mineralization at its Dandoko Project. The recent phase of drilling prior to the wet season assessed the Diabarou prospect's open-pit resource potential, with the ultimate aim of an initial JORC-compliant resource. Over the coming months a series of advanced and early-stage targets will be tested by more than 47,000m of drilling at its Dandoko and Moussala projects.

Announcement Detail – Dandoko Project Update

Oklo Resources has announced the commencement of the 2016/17 exploration field season, with the commencement of auger drilling at its Dandoko project in western Mali.

The Dandoko project lies within the Kenieba Inlier and is located 30km to the east of B2Gold’s 5.15Moz Fekola Project and 50km to the south-southeast of Randgold’s 12.5Moz Loulo Mine.

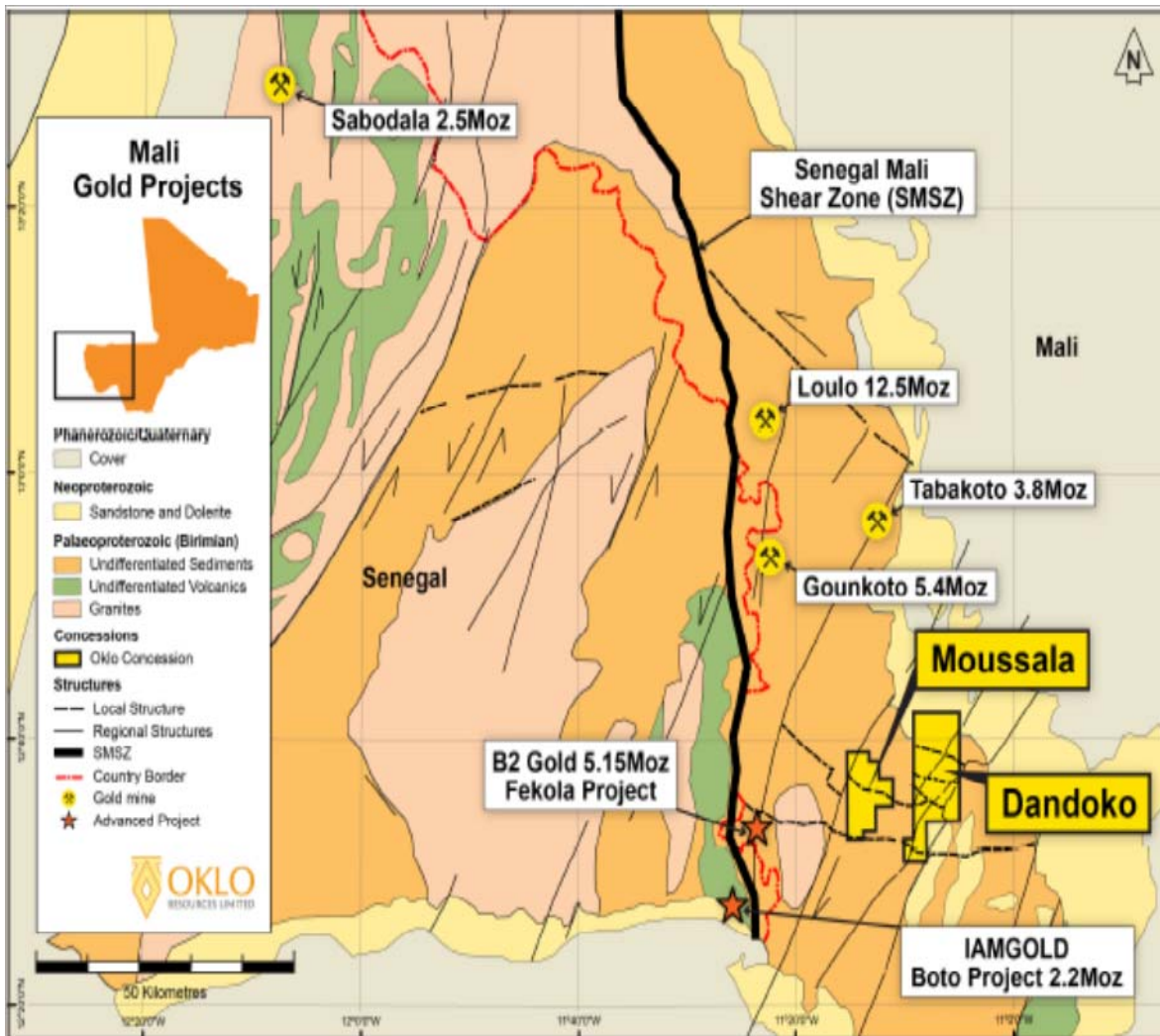


Figure 1: Location of Dandoko and Moussala Gold Projects in West Mali

Over the coming months, a series of advanced and early-stage targets will be drill-tested at both the Dandoko and adjoining Moussala projects. An initial 40,000-metre auger geochemical program will be completed at both projects – with three rigs currently operating at Dandoko and a fourth rig to be mobilised to Moussala, 15km west of Dandoko.

At Dandoko, initial auger drilling will concentrate on regional extensions to the encouraging gold discoveries at Diabarou and Disse, before stepping out to test other potential targets on the remainder of the project on a 400-metre x 100-metre spacing.

At Moussala, auger drilling will test a number of previously-defined geochemical and geological targets that remain untested by drilling, including areas where limited previous soil-sampling programs returned peak gold-in-soil results of up to 0.54g/t gold, also on a 400-metre x 100-metre spacing.

A program of approximately 7,000 metres of RC drilling has also commenced (on top of the 40,000 metres of auger drilling) in order to further test the strike extension of the mineralisation at Diabarou and through the Disse areas.

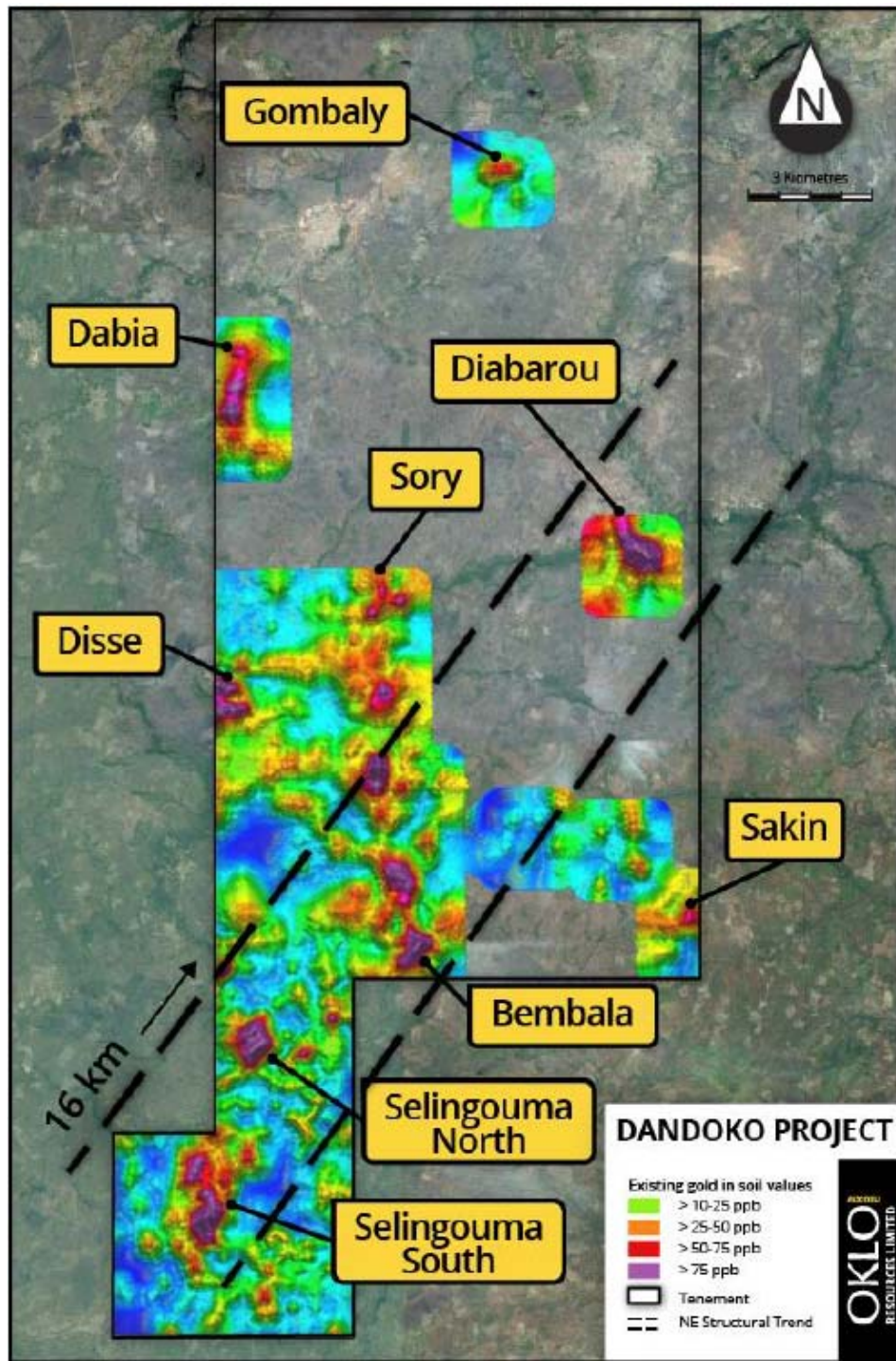


Figure 2: Location of Diabarou and Disse prospects within the Dandoko Project

Technical Significance

A total program in excess of 47,000 metres has been approved, costing in the vicinity of \$2.2 million, which will be fully funded from the company's existing cash reserves of more than \$9.5 million.

It is anticipated that by year end, the first round of these aggressive programs will have materially progressed the Diabarou and Disse prospects, as well as having provided enhanced geochemical coverage below the variable laterite cover to highlight any regional extensions to these prospects – along with and new areas for testing.

With results from these programs expected to be coming through from mid January 2017, Oklo should be in a good position to continue its work programs through the remainder of the 2016/17 dry season, guided by ongoing results.

Previous Dandoko Activity

In our previous coverage during September, we reviewed the final results from the company's drilling programs completed at the Disse and Diabarou prospects, prior to the onset of the wet season.

Disse Prospect

Of strong interest was the completion of the first diamond drill-hole (DDDK16-004) at the Disse prospect, which was successfully completed to a depth of 200.5 metres and intersected significant gold mineralisation within intensely-altered sediments.

The results include 13 metres at 4.69g/t gold from 163 metres depth, comprising 6 metres at 7.30g/t gold from 163 metres and 3 metres at 11.40g/t gold from 163 metres. The hole also generated 2 metres at 7.84g/t gold from 173 metres depth.

The Disse prospect is located 6km to the southwest of Oklo's high-grade gold discovery at Diabarou. Artisanal workings at Disse extend for more than 880 metres and coincide with a gold-in-soil anomaly and dump samples of up to 16.25g/t gold.

Diabarou Prospect

The second strong point of market interest relates to final bottle-roll cyanide leach assays from diamond drill-hole DDDK016-03 at the Diabarou Prospect, which were previously reported as 19 metres at 3.22g/t gold by fire assay in July 2016). Importantly, the reported gold grade has now increased to 19 metres at 3.49g/t gold from 89 metres, including 3 metres at 12.19g/t gold from 91 metres and 2 metres at 8.62 g/t gold from 100 metres.

Bottle-roll cyanide leach analysis is often used where the presence of coarse or nuggetty gold gives rise to variable assay results by conventional analytical techniques such as the fire-assay method, which is based on a relatively small sample size (usually 50g). Bottle-roll cyanide leaching uses a much larger

sample (usually 2kg) and is therefore a more representative method for analysing samples containing coarse gold.



Figure 3: Drill core from DDDK16-004 showing visible gold (circled) at 164.9m depth.

The re-analysed mineralised intervals have returned a positive correlation for gold when compared with the previously reported fire assay results. The significant intersection previously reported for DDDK016-003 by fire assay was 19 metres at 3.22g/t gold from 89 metres. The corresponding interval when analysed using the bottle roll cyanide leach method was 19 metres at 3.49g/t gold, which is an overall increase in grade of 8.4%.

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), as can be seen clearly in Figure 2.

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 62%.

The company represents a fairly straightforward exploration story. It has utilized waning interest in West African gold projects over previous years to its advantage - allowing it to assemble a high-quality 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, boding well for Oklo as it attempts to outline a large, open-pittable gold deposit.

It is anticipated that by year end, the first round of these aggressive programs will have materially progressed the Diabarou and Disse prospects, as well as having provided enhanced geochemical coverage below the variable laterite cover to highlight any regional extensions to these prospects – along with and new areas for testing.

There are numerous gold targets of varying maturity that will be systematically drill-tested over the coming 12 months. The company is well funded with current cash reserves of \$9 million.

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

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