



Oklo Resources (OKU AU, \$0.25, market cap. A\$118m) Metallurgical test work further derisks Seko

- OKU reported results from the initial metallurgical test work from a single PQ drillhole into the central Seko2 (SKS) orebody.
- Results from this work have been encouraging and show no red flags. Importantly (but not surprisingly) the primary ore at SK2 is not refractory.
- The bulk of the initial resource at the 3 Seko orebodies is likely to be oxide as the depth of weathering is deep (commonly over 100m). Recent test work has shown met. recoveries at a 75 micron grind to be 94.1% (from quite a high head grade of 4.4gpt). This is very encouraging, and suggests a conventional CIP or CIL circuit will be suitable for treating Seko ore.
- Importantly, some 53% of the gold from the oxide ore was extracted from this sample using gravity methods, which can serve to reduce reagent costs.
- Furthermore, this test work has demonstrated oxide ore at SK2 to be only moderately hard (BWI of 10) and moderately abrasive.
- Primary and transition ores demonstrated lower recoveries (88% and 85% respectively), and the material is described as hard (BWI of 15-16) and moderately abrasive/abrasive. The grind size was dropped to 54 microns to achieve these results.
- Cyanide consumption was low for all ore types. Lime consumption for the oxide ore is high (a result of oxidation of pyrite to acid).
- Interestingly, very good concentration of gold into flotation concentrate at a 75 micron grind size was achieved for the fresh and transition ore types (91 and 95% respectively). This suggests that a float/fine grind circuit could be the better option for the deeper ore types.
- There appear to be no nasties, such as tellurium, mercury, arsenic and antimony, and importantly there is no preg-robbing carbon.
- It should be stressed that these are only single samples and far more work is necessary to understand the variability of the Seko ores. We see no reason to be concerned.
- By comparison with another nearby orebody, initial testwork at B2 Gold's Fekola deposit in 2014 suggested recoveries would be in an 89-93% range. In an outstanding March 2020 quarter, Fekola delivered 94% recovery, and this will be largely from fresh ore.
- We now see a resource potential for the Seko discoveries at 600-700koz at grades perhaps around 2-3gpt (at a 0.5gpt cut), with much of this close enough to the surface to be open pit mined. Should these high grades continue to depth into fresh rock, we see excellent potential for a significant underground-mineable deposit.
- As previously announced OKU has added some 12,000m of RC and diamond drilling to its current programme. Should results such as these continue to emerge from the Seko discoveries, there's a good chance that drilling will continue right up until the start of the wet season (around July).
- Should that happen, it's possible that the maiden MRE might not emerge until mid-year. (OKU has flagged the timing of the MRE as 2Q20). Needless to say, that would be a positive outcome.
- All this will allow OKU to commence on a scoping study for Seko in 2H20.
- **OKU remains one of our favoured West African exploration/pre-development plays.**

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Dr Chris Baker, an authorised representative of BSCP, certifies that the advice in this report reflects his honest view of the company. He has 30 years investment experience in wholesale capital markets. He worked as a mining analyst for brokers BZW and UBS for 11 years and has a further 16 years' experience as a mining analyst and portfolio manager with Colonial First State and Caledonia Investments. He now provides independent financial advice on a part time basis. He may own securities in companies he recommends but will declare this when providing advice. He currently owns shares in OKU. He is remunerated by BSCP but is not paid a specific fee for providing this report. BSCP are Corporate Advisors to OKU and receive fees from OKU for services provided. BSCP, its directors and consultants may own shares and options in OKU and may, from time to time, buy and sell the securities of OKU.

BSCP earned fees from the recent capital raising undertaken by OKU.

Appendix 1

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