

24 March 2023

Okapi completes cornerstone investment in Ubaryon

Okapi Resources Limited (ASX: OKR, OTCQB:OKPRF) has completed its cornerstone investment in Ubaryon Pty Ltd (Ubaryon) taking an initial 19.9% interest for a total consideration is A\$3.1 million.

The transaction's closure follows Ubaryon shareholders approving Okapi's private placement at a General Meeting last week. Okapi is now the largest single shareholder of Ubaryon. Okapi first announced the transaction on 25 January 2023.¹

Okapi previously completed technical, legal and financial due diligence of Ubaryon and a A\$5.1 million capital raising in February 2023 to fund the deal.

An Australian company, Ubaryon has recently established a laboratory at Australia's Nuclear Science and Technology Organisation (ANSTO) site in Sydney, to accelerate development and commercialisation of its potentially market disruptive chemical uranium enrichment technology. Ubaryon Enrichment Technology does not require the high temperatures or pressure that characterise current technologies which significantly reduces technical risks and costs, and offers several safety and environmental advantages.

Okapi's Managing Director, Mr Andrew Ferrier will join the board of Ubaryon to assist in the company's strategy and commercial development.

Okapi's Managing Director, Mr Andrew Ferrier said:

"As a cornerstone shareholder in Ubaryon, Okapi and our shareholders now have a major stake in an emerging technology that has the potential to transform the global uranium enrichment Industry, a US\$6 billion market fundamental to the nuclear fuel cycle. Enrichment is currently dominated by Russia and non- US based utilities creating a requirement for enriched uranium for use in both conventional and small modular nuclear reactors, from more stable jurisdictions to reduce their supply risk.

As Okapi advances its dominant uranium position in North America towards production amid a nuclear energy renaissance, our investment in uranium enrichment significantly increases the company's exposure to the nuclear fuel cycle. Uranium development and enrichment are two of the larger value drivers in the nuclear energy production process.

I look forward to working closely alongside Ubaryon's leadership and technical team led by Managing Director Mr Adam Blunn to execute on the game plan over the coming years."

¹ Refer ASX release dated 25 January 2023 "Okapi enters Uranium Enrichment Sector with Strategic Cornerstone Investment in Ubaryon".

Ubaryon’s Managing Director, Mr Adam Blunn said:

“We are excited to partner with Okapi in moving forward with our technology and we believe that this partnership represents an outstanding path to add value to our development due to their likeminded approach about the best way to progress the opportunity and achieve an excellent return for both Ubaryon and Okapi shareholders.”

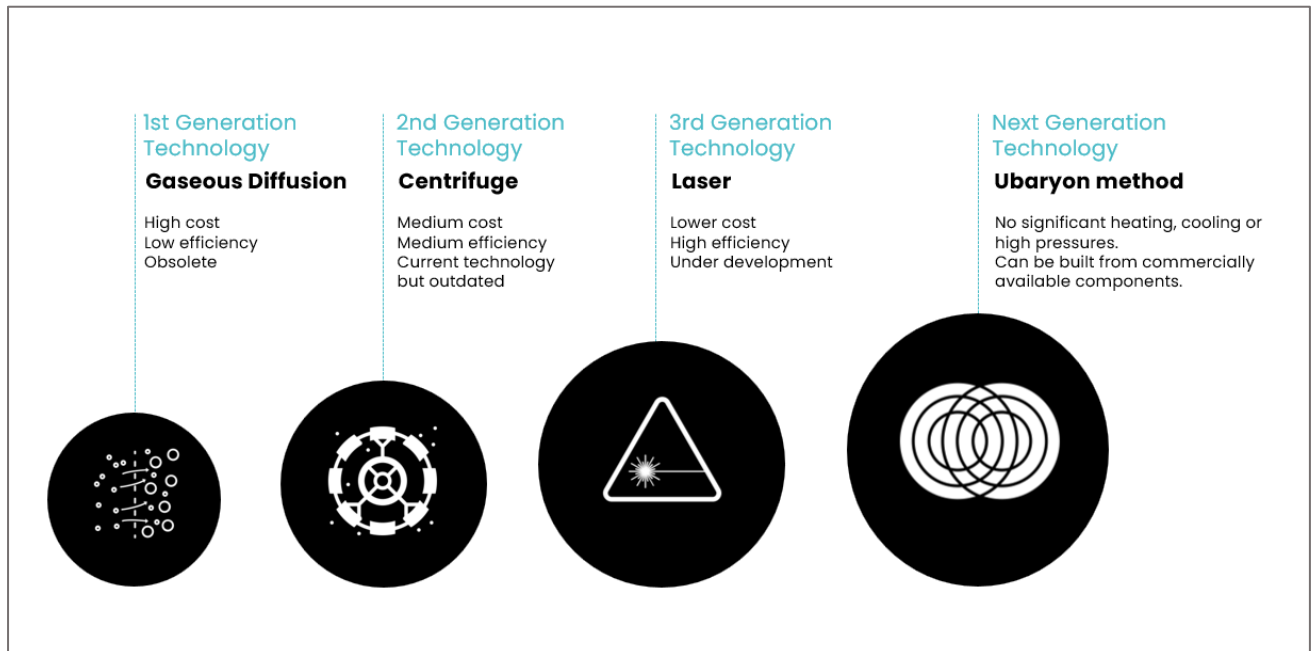


Figure 1: Ubaryon’s new uranium enrichment technology has the potential to change the industry

Ubaryon’s Next Generation Uranium Enrichment Technology

Ubaryon’s enrichment technology is based on the chemical separation of naturally occurring isotopes. The process exploits novel and existing chemical separation mechanisms using cost effective and commercially available components. The process has potential safety, environmental, and economic benefits and advantages over other enrichment processes including the legacy gaseous diffusion technology and the current centrifuge process.

A significant feature of the technology is that it eliminates the need for conversion from yellowcake to UF_6 and the need for deconversion from UF_6 to Uranium dioxide. Removing conversion and deconversion simplifies the cycle and allows for additional flexibility in the supply chain. The Ubaryon process has demonstrated a significantly higher enrichment factor than that of previous chemical enrichment technologies developed in France and Japan which offers potentially lower capital and operating costs.

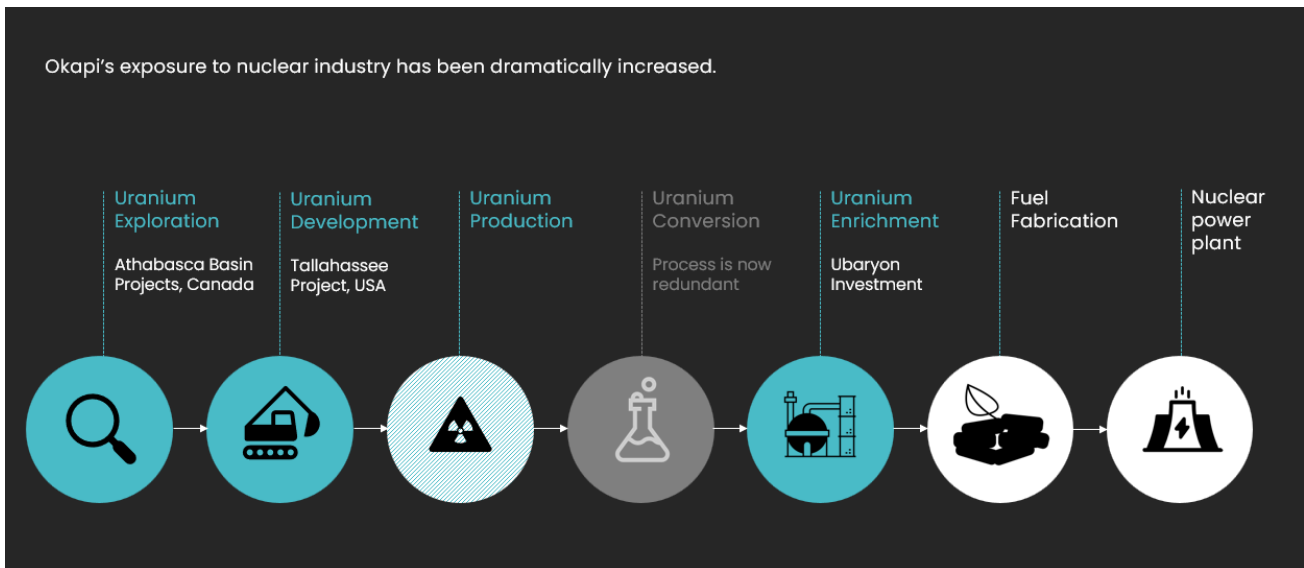


Figure 2: Okapi's Ubaryon investment increases exposure the company's exposure to nuclear fuel cycle

Recent Developments and Next Steps

Ubaryon's focus is demonstrating control and optimisation of the isotope separation mechanism and extension of its enrichment factor. Concurrently, Ubaryon has demonstrated proof of concept of the subsequent recovery stages necessary to achieve a scalable process and critical to the future use of the technology to enable higher level enrichment for commercial power generation.

Upcoming milestones for Ubaryon include:

- Demonstration of the ability to operate with multiple stages;
- Achievement of a 1.0% enriched uranium product;
- Construction and operation of a multiple unit pilot module at bench scale; and
- Development and confirmation of process costs and performance.

Very Supportive North American Market Tailwinds

The United States' call for more nuclear generation is growing louder as the US Government makes faster strides to achieve its goal of a net zero carbon economy by 2050. In August 2022, the Biden Administration signed the Inflation Reduction Act into law, which provides billions in numerous tax incentives and investments to strengthen the local nuclear energy sector.

Earlier this month, the US Department of Energy released a nuclear energy whitepaper² stating domestic nuclear capacity had the potential to scale from ~100 GW in 2023 to ~300 GW by 2050. An additional 200 GW would require an extra ~50,000Mt of uranium per year while enrichment capacity would need to increase by ~30 million SWU per year.

Okapi's increased presence across the nuclear fuel cycle means the company is very well positioned to take advantage of these strengthening political tailwinds.

² Refer US Department of Energy Pathways to Commercial Liftoff: Advanced Nuclear <https://liftoff.energy.gov/>

This announcement has been authorised for release by the Board of Okapi Resources Limited.

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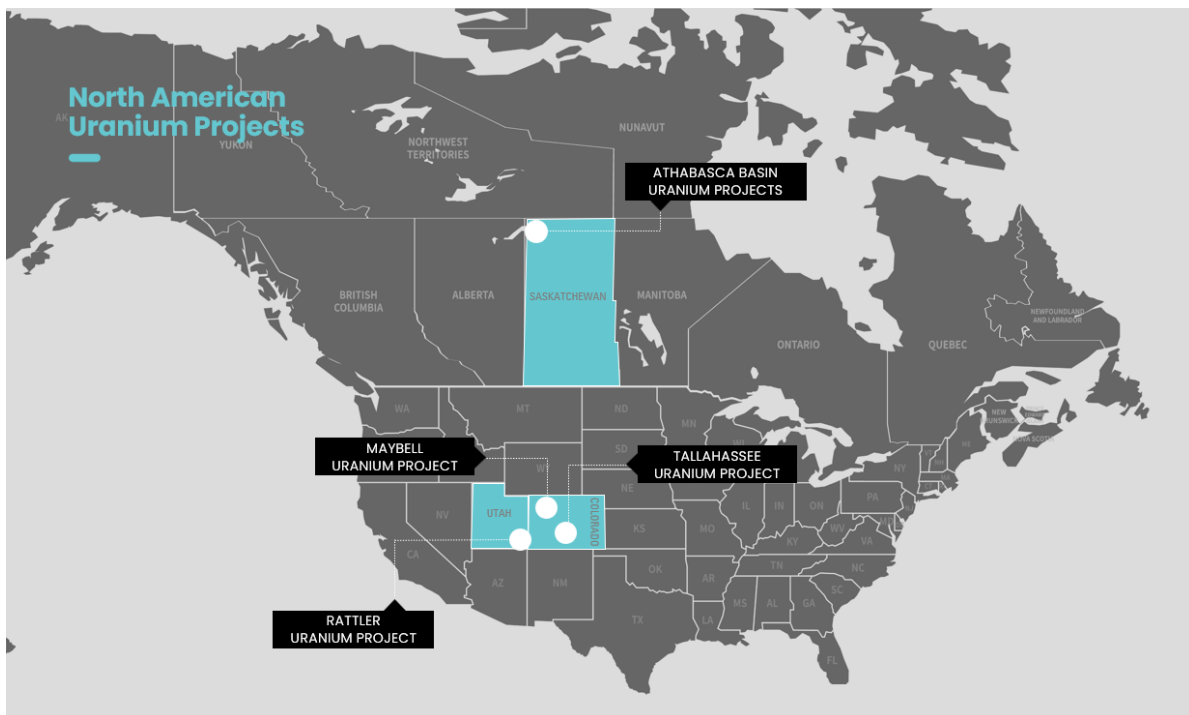
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About Okapi Resources

Okapi Resources Limited is leading North America to a carbon-free future through by developing a portfolio of advanced, high grade uranium assets in prolific uranium districts in the United States of America and Canada.

Asset Portfolio:

- **Tallahassee Uranium Project:** Contains a JORC 2012 Mineral Resource estimate of 49.8 million pounds of U₃O₈ at a grade of 540ppm U₃O₈³ with significant exploration upside. Located in Colorado’s Tallahassee Creek Uranium District, host to more than 100 million pounds of U₃O₈.
- **Rattler Uranium Project:** Located within La Sal Uranium District, Utah, 85km north of White Mesa Uranium/Vanadium mill, the only operating conventional uranium mill in the USA.
- **Athabasca Basin Projects:** Portfolio of six potentially high-grade exploration assets in the Athabasca Basin, Canada, home to the world’s largest and highest-grade uranium mines.
- **Maybell Uranium Project:** Located within a recognised uranium district in Colorado with historical production of 5.3 million pounds of U₃O₈ (average grade 1,300ppm)⁴.



³Competent Persons Statement - Information on the Mineral Resources presented, together with JORC Table 1 information, is contained in the ASX announcement dated 7 April 2022 and titled “Okapi to acquire Hansen Deposit – Resource increased by 81%”. Measured 2.96MLbs of 550 ppm U₃O₈, Indicated 19.095MLbs of 580 ppm U₃O₈, Inferred 27.78MLbs of 510 ppm U₃O₈ calculated applying a cut-off grade of 250ppm U₃O₈. Numbers may not sum due to rounding. Grade rounded to nearest 10ppm.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcements. Where the Company refers to Mineral Resources in this announcement (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.

⁴Historical production data has been sourced of an article in Rocky Mountain Association of Geologists (1986) titled “Geology and Production History of the Uranium Deposits in the Maybell, Colorado Area” from W. L. Cheneoweth.