

OKLO RESOURCES LIMITED

ABN 53 121 582 607

**HALF YEAR FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2019**

CORPORATE INFORMATION

DIRECTORS

Mr Mark Connelly (Non-Executive Chairman)
Mr Simon Taylor (Managing Director)
Dr Madani Diallo (Executive Director)

COMPANY SECRETARY

Ms Louisa Martino

BANKER

National Australia Bank Limited
South Sydney Partnership
Suite 1, Level 6, 5-13 Rosebery Ave,
Rosebery, NSW 2019

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA, 6008

REGISTERED OFFICE

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Sydney NSW 2000

Telephone: +61 2 8823 3110
Facsimile: +61 2 9252 8466
Website: www.okloresources.com

STOCK EXCHANGE

The Company's securities are quoted on the official list of the Australian Securities Exchange Limited (ASX code: OKU).

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth, WA, 6000

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OKLO RESOURCES LIMITED

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Oklo Resources Limited and its controlled entities ("Oklo Resources" or "the Group") for the half-year ended 31 December 2019.

DIRECTORS

The following persons held office as a Director of Oklo Resources during the half year ended 31 December 2019:

Mr Mark Connelly (Non-Executive Chairman) – Appointed 16 July 2019

Mr Simon Taylor (Managing Director)

Dr Madani Diallo (Executive Director)

Mr Simon O'Loughlin (Non-Executive Chairman to 16 July 2019, retired as Non-Executive director on 22 November 2019)

All the Directors shown were in office from the beginning of the half-year until the date of this report, unless otherwise stated.

RESULTS

The net loss of the economic entity for the half year ended 31 December 2019 was \$722,529 (2018: \$639,477).

No dividends were paid or declared by the company during the half-year.

REVIEW OF OPERATIONS

The following is a summary of the activities of Oklo Resources during the period 1 July 2019 to 31 December 2019. It is recommended that this half-yearly report be read in conjunction with the 30 June 2019 Annual Report and any public announcements made by the Company during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

CORPORATE

On 12 September 2019 the Company successfully completed a placement of \$6 million (before costs), with the issue of 57,142,857 shares at an issue price of \$0.105 per share – refer Note 3. No options were exercised during the half year.

Oklo Resources remains well-funded with cash reserves of \$7.7 million as at the end of the reporting period, and, subsequent to the reporting period end, completed a further placement to raise \$12.5 million before costs – refer – "Subsequent Event" below.

During the half-year the Company exercised its option to acquire 65% ownership of the 70km² Kossaya Project, located to the east of the regionally significant Senegal Mali Shear Zone ("SMSZ"). The Project is contiguous with the Company's Kouroufing project and in close proximity to its Dandoko Project.

The Company was also registered as the 100% holder of the Kandiole Permit. The 100km² Kandiole permit is within 10km of B2Gold's operating Fekola Mine and IAMGold's Boto Gold Project. As part of the Acquisition Agreement of May 2018, Oklo issued the project vendor Sarama Investments Limited, 791,557 shares in the Company to complete the transaction.

On 16 July 2019, Mr Mark Connelly was appointed as Non-Executive Chairman.

DIRECTORS' REPORT (Continued)

Oklo Resources' Annual General Meeting was held on 22 November 2019 with all resolutions put to shareholders passed without amendment on a show of hands. Mr Simon O'Loughlin did not stand for re-election at the meeting and retired as a Non-Executive Director.

EXPLORATION OVERVIEW

During the reporting period, the Company concluded its 2019 field season having successfully outlined further extensions at Seko and generated further regional targets at Selingouma and Lomona along the 12km Dandoko gold corridor within the Company's flagship Dandoko Project.

Following a hiatus for the wet season, the 2020 field season commenced in late October with a 10,000m resource definition drilling program at Seko. This program resulted in the discovery of the SK1 North zone and the Koko prospect, located to the immediate south of Seko. A metallurgical testwork program on representative oxide, transition and fresh ore samples was also commissioned.

DANDOKO PROJECT– SEKO

The Seko auger gold anomalies comprise five coherent gold trends (SK1-5) with a combined strike length of 7km.

Final assay results received from the shallow step-out and extensional drilling program at Seko (as part of the 2019 field program) successfully outlined new gold zones adjacent to and along strike of SK1, SK2 and SK3.

Significant intersections included:

- 10m at 2.33g/t gold from 39m; including 4m at 4.25g/t gold
- 4m at 14.12g/t gold from 48m; including 2m at 27.40g/t gold
- 9m at 2.73g/t gold from 84m; including 2m at 4.70g/t gold
- 2m at 9.15g/t gold from 8m and 1m at 16.40g/t gold from 23m

The program confirmed strong potential for the Seko gold system to grow in extent, with several priority targets defined for follow-up assessment in the 2020 field season including:

- A new gold target 300m to the north of SK2, where altered and sulphide-mineralised breccia similar to SK2 was encountered.
- A significant gold intersection (2m at 9.15g/t gold) to the immediate south of SK1, extending the previously defined mineralisation along strike.
- The presence of anomalous bedrock gold mineralisation (16m at 0.82g/t gold, including 4m at 1.38g/t gold) 600m south of SK1 towards the Koko prospect.

The Company's 2020 field season commenced in late October 2019 with a 10,000m resource definition drilling program focussed on infill drilling and closing off areas of near surface mineralisation at Seko anomalies SK1-SK3 and surrounding areas in support of a maiden Mineral Resource estimate scheduled for completion during the June 2020 quarter.

The program successfully defined a new high-grade shoot at the northern end of SK1 (referred to a SK1 North) centred around a spectacular intersection of 47m at 10.95g/t gold from 48m, including 7m at 60.57g/t gold from 54m.

Other significant results from SK1 North included:

- 20m at 1.98g/t gold from 60m
- 8m at 2.11g/t gold from 142m, with the hole ending in mineralisation

At SK1 South, further wide zones of gold mineralisation were intersected from infill drilling including:

- 52m at 1.27g/t gold from 26m, including 3m at 3.64g/t gold from 61m
- 27m at 1.10g/t gold from 130m

DIRECTORS' REPORT (Continued)**EXPLORATION OVERVIEW (Continued)**

The thick, coherent zone of high-grade gold mineralisation at SK2 was further confirmed by the following significant intersections:

- 65m at 7.11g/t gold from 4m including 9m at 16.76g/t gold from 13m
- 16m at 12.45g/t gold from 29m including 4m at 28.07g/t gold from 40m
- 53m at 4.34g/t gold from 95m including 15m at 7.20g/t gold from 108m
- 8m at 6.62g/t gold from 139m
- 56m at 2.28g/t gold from 24m including 3m at 6.17g/t gold from 73m
- 8m at 10.56g/t gold from 2m including 2m at 16.95g/t gold from 3m

Follow-up drilling at SK2 North returned the following intersections:

- 6m at 2.86g/t gold from 124m, including 3m at 4.90g/t gold from 126m
- 7m at 1.23g/t gold from 50m

Assay results received from infill drilling at SK3 successfully extended the main zone of gold mineralisation further north and included the following significant intersections:

- 20m at 3.08g/t gold from 81m to the end of the hole including 11m at 4.46g/t gold from 89m
- 50m at 1.55g/t gold from 43m including 30m at 2.17g/t gold from 43m
- 10m at 3.14g/t gold from 53m
- 14m at 2.65g/t gold from 140m including 5m at 5.21g/t gold from 147m
- 8m at 5.26g/t gold from 45m including 3m at 10.23g/t gold from 45m

Resource drilling was ongoing at Seko at the end of the reporting period, including follow-up drilling at the exciting SK1 North discovery and in-fill drilling between Seko and the adjoining Koko prospect.

DANDOKO PROJECT - SEKO - METALLURGICAL TESTWORK

Excellent grade continuity was confirmed from a metallurgical diamond hole drilled at SK2 returning:

- 50m at 3.99g/t gold from surface to the end of hole, including; 12m at 7.19g/t gold from 38m to end of hole, which included 4m at 11.53g/t gold from 40m

Representative samples of oxide, transition and fresh ore were dispatched to ALS Metallurgy Pty Ltd in Perth, Australia for detailed metallurgical testwork.

DANDOKO PROJECT - REGIONAL TARGETS

Assay results received from first pass reconnaissance AC drilling at the regional Selingouma and Lomona targets along the Dandoko gold corridor outlined several new gold zones at Selingouma warranting follow-up drilling.

Significant results included:

- 12m at 1.21g/t gold from 2m, 2m at 3.34g/t gold from 24m and 6m at 2.85g/t gold from 72m, including 4m at 4.07g/t gold
- 4m at 2.50g/t gold from 56m
- 10m at 1.88g/t gold from 84m

Narrow high-grade gold zones were intersected at Lomona, including 2m at 15.80g/t gold from 14m and 2m at 5.42g/t gold from 10m.

OTHER PROJECTS

The Group did not undertake any work at its other projects in west and south Mali during the reporting period.

DIRECTORS' REPORT (Continued)

EXPLORATION OVERVIEW (Continued)

Competent Person's Declaration

The information in this report that relates to Exploration Results is based on information compiled by geologists employed by Africa Mining (a wholly owned subsidiary of Oklo Resources) and reviewed by Mr Simon Taylor, who is a member of the Australian Institute of Geoscientists. Mr Taylor is the Managing Director of Oklo Resources Limited. Mr Taylor is considered to have sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration, and to the activity that he is undertaking to qualify as a Competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the 2012 JORC Code). Mr Taylor consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

This report contains information extracted from previous ASX market announcements (refer list below) reported in accordance with the JORC Code (2012) and available for viewing at www.okloresources.com. Oklo Resources confirms that in respect of these announcements it is not aware of any new information or data that materially affects the information included in any original ASX market announcement. The announcements are as follows:

Dandoko Project:

Announcements dated: 21st December 2016, 30th January 2017, 21st February 2017, 3rd March 2017, 7th March 2017, 15th March 2017, 30th March 2017, 6th April 2017, 26th April 2017, 29th May 2017, 21st June 2017, 12th July 2017, 25th July 2017, 14th August 2017, 16th August 2017, 4th September 2017, 28th November 2017, 5th December 2017, 20th December 2017, 5th February 2018, 22nd February 2018, 8th March 2018, 28th March 2018, 3rd May 2018, 16th May 2018, 22nd May 2018, 2nd July 2018, 6th August 2018, 28th August 2018, 3rd September 2018, 19th September 2018, 23rd October 2018, 25th October 2018, 18th December 2018, 6th March 2019, 15th August 2019, 22nd October 2019, 20th November 2019, 10th December 2019 and 17th December 2019.

DIRECTORS' REPORT (Continued)

SIGNIFICANT CHANGES

There have been no changes in the state of affairs of the economic entity that occurred during the half-year under review not otherwise disclosed in this report.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the reporting date:

- i) On 17 February 2020, the Company issued 900,000 Zero Exercise Priced Options (ZEPOs) with an expiry date of 17 February 2025 in accordance with the Employee Share Option Plan. The ZEPOS have the same time vesting and performance vesting conditions as the ZEPOS issued to Executives during the Reporting Period as set out in Note 6.
- ii) On 6 March 2020, the Company completed a private placement by the issue of 59,523,811 fully paid ordinary shares at an issue price of \$0.21 per share to raise a total of \$12.5 million (before costs).

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial period, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

Signed in accordance with a resolution of the Board of Directors.



Simon Taylor
Managing Director
Date: 13 March 2020

Sydney, New South Wales

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF OKLO RESOURCES LIMITED

As lead auditor for the review of Oklo Resources Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Oklo Resources Limited and the entities it controlled during the period.



Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2020

OKLO RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 \$	31 December 2018 \$
Continuing Operations			
Other income		23,939	16,243
Employee benefits expense		(221,696)	(217,312)
Superannuation		(20,583)	(16,387)
Share based payments expense	6	(7,292)	-
Professional fee expense		(74,600)	(62,500)
Legal expense		(6,469)	(2,471)
Administration expenses		(183,187)	(147,637)
Business Development		(101,843)	(101,404)
Depreciation		(408)	-
Travel and accommodation expense		(86,053)	(69,365)
Occupancy expense		(38,750)	(36,248)
Foreign currency exchange		(7,939)	(13,225)
Results from operating activities		(724,883)	(650,306)
Finance income		2,353	10,832
Finance costs		-	(3)
Net finance income		2,353	10,829
(Loss) before income tax expense		(722,529)	(639,477)
Income tax expense		-	-
(Loss) after tax from continuing operations		(722,529)	(639,477)
Net (loss) for the half-year		(722,529)	(639,477)
Other comprehensive income/(loss)			
Items that will be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		(676,435)	1,150,460
Other comprehensive income/(loss) for the half-year, net of income tax		(676,435)	1,150,460
Total comprehensive income/(loss) for the half-year		(1,398,964)	510,983

The accompanying notes form part of these financial statements

OKLO RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued) FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	31 December 2018 \$
(Loss) for the half-year is attributable to:		
Owners of Oklo Resources Limited	(722,529)	(639,477)
	(722,529)	(639,477)
Total comprehensive income/(loss) for the half year is attributable to:		
Owners of Oklo Resources Limited	(1,398,964)	510,983
	(1,398,964)	510,983
Earnings per share for (loss) attributable to owners of Oklo Resources Limited		
Basic profit/ (loss) per share (cents per share)	(0.19)	(0.18)
Diluted profit/ (loss) per share (cents per share)	(0.19)	(0.18)

The accompanying notes form part of these financial statements

OKLO RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		7,696,261	6,527,164
Trade and other receivables		282,917	165,121
TOTAL CURRENT ASSETS		7,979,178	6,692,285
NON-CURRENT ASSETS			
Intangibles		22,706	-
Property, plant and equipment		696,575	831,279
Exploration and evaluation expenditure	2	48,083,023	45,122,939
TOTAL NON-CURRENT ASSETS		48,802,304	45,954,218
TOTAL ASSETS		56,781,482	52,646,503
CURRENT LIABILITIES			
Trade and other payables		1,581,271	1,775,914
Provisions		51,703	46,674
TOTAL CURRENT LIABILITIES		1,632,974	1,822,588
TOTAL LIABILITIES		1,632,974	1,822,588
NET ASSETS		55,148,508	50,823,915
EQUITY			
Contributed equity	3	68,013,575	62,317,143
Reserves		5,103,966	5,753,276
Accumulated losses		(17,969,033)	(17,246,504)
TOTAL EQUITY		55,148,508	50,823,915

The accompanying notes form part of these financial statements.

OKLO RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Accumulated losses	Foreign Currency Translation Reserve	Share Option Reserve	Total Reserves	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance at 1 July 2019	62,317,143	(17,246,504)	1,847,998	3,905,278	5,753,276	50,823,915
Profit/(Loss) for period	-	(722,529)	-	-	-	(722,529)
Other comprehensive income						
Exchange differences on translation of foreign operation	-	-	(676,435)	-	(676,435)	(676,435)
Total comprehensive loss for the period	-	(722,529)	(676,435)	-	(676,435)	(1,398,964)
Transactions with owners in their capacity of owners						
Contributions of equity, net of transaction costs	5,696,432	-	-	-	-	5,696,432
Share based payments for options vested during the period	-	-	-	27,125	27,125	27,125
Balance at 31 December 2019	68,013,575	(17,969,033)	1,171,563	3,932,403	5,103,966	55,148,508

The accompanying notes form part of these financial statements.

OKLO RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Accumulated losses	Foreign Currency Translation Reserve	Share Option Reserve	Total Reserves	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance at 1 July 2018	61,925,515	(16,240,232)	567,416	3,818,758	4,386,174	50,071,457
Profit/(Loss) for period	-	(1,347,910)	-	-	-	(639,477)
Other comprehensive income						
Exchange differences on translation of foreign operation	-	-	1,150,460	-	1,150,460	1,150,460
Total comprehensive loss for the year	-	(639,477)	1,150,460	-	1,150,460	510,983
Transactions with owners in their capacity of owners						
Contributions of equity, net of transaction costs	247,604	-	-	-	-	247,604
Share based payments for options issued to key management personnel	-	-	-	78,631	78,631	78,631
Balance at 31 December 2018	62,173,119	(16,879,709)	1,717,876	3,897,389	5,615,265	50,908,675

The accompanying notes form part of these financial statements.

OKLO RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	31 December 2018 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	13,922	13,163
Payments to suppliers and employees	(803,582)	(604,555)
Interest received	2,353	10,832
Interest paid	-	(3)
Net cash (used) in operating activities	(787,307)	(580,563)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for exploration	(3,543,637)	(5,178,484)
Acquisition of property, plant and equipment	(2,872)	(28,824)
Payments for acquisition of licences	(112,869)	(78,725)
Net cash (used) in investing activities	(3,659,378)	(5,286,033)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue (net of share issue costs)	5,617,274	70,627
Net cash provided from financing activities	5,617,274	70,627
Net increase/ (decrease) in cash held	1,170,589	(5,795,969)
Cash at beginning of the period	6,527,164	18,366,296
Foreign exchange variances on cash	(1,492)	16,744
Cash at end of the period	7,696,261	12,587,071

The accompanying notes form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

CORPORATE INFORMATION

The consolidated financial statements of Oklo Resources Limited (the Company) for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 13 March 2020.

Oklo Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company and its subsidiaries are described in the Directors' report.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by Oklo Resources during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs.

b. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(i) New and amended standards adopted by Oklo Resources

A number of new or amended standards became applicable for the current reporting period resulting in a change to Oklo Resources' accounting policies as a result of adopting AASB 16 Leases.

The adoption of the leasing standard has had no impact on these financial statements, the new accounting policies are disclosed below. The other standards did not have any impact on Oklo Resources' accounting policies and did not require retrospective adjustments.

(ii) Impact of standards issued but not yet applied by Oklo Resources

Other new and amended standards and Interpretations that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

(iii) Basis of preparation and changes to the Group's accounting policies

AASB 16 Leases

Oklo Resources has adopted AASB 16 using the modified retrospective approach from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions of the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019****Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****b. Accounting Policies (Continued)**

The adoption of AASB 16 Leases from 1 July 2019 did not give rise to any material transitional adjustments to the amounts recognised in the financial statements. The new accounting policies (applicable from 1 July 2019) are below.

Oklo Resources has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB 117 and IFRC 4 Determining whether an Arrangement contains a Lease.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Oklo Resources has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

c. Going Concern

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

d. Significant accounting judgements and key estimates

In applying the Group's accounting policies, management continually evaluates, estimates and makes assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events.

Refer to the most recent annual financial report for the year ended 30 June 2019 for a discussion of the significant estimates and judgements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**
Note 2: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2019	30 June 2019
	\$	\$
Exploration and Evaluation		
At cost	48,083,0223	45,122,939
Opening net book amount	45,122,939	33,245,336
Acquisitions (See below)	177,655	251,152
Exploration Expenditure	3,583,758	9,997,697
Share based payments capitalised (Note 6)	19,833	
Foreign exchange differences	(821,162)	1,628,754
Total exploration and evaluation	48,083,023	45,122,939

During the half-year the Company acquired the following interests:

Exercise of Option to Acquire Kossaya Project

On 18 July 2019, the Company exercised its option to acquire the Kossaya Project by the payment of CFA 40,000,000 (A\$98,496). As at the reporting date the Company holds a 65% interest in this project. Further details of the terms of the Option are set out in the annual financial statements for the year ended 30 June 2019.

Acquisition of Kandiole Project

On 16 October 2019, the Company announced the Kandiole Licence had been awarded and issued 791,557 shares at an issue price of \$0.379 per share in accordance with acquisition agreement dated 9 May 2018. The shares issued have been recorded at the fair value on the date of issue being \$0.10 totalling \$79,157. As at the reporting date the Company holds a 100% interest in this project. Further details of the terms of the acquisition are set out in the annual financial statements for the year ended 30 June 2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**
Note 3: CONTRIBUTED EQUITY

	31 December 2019	30 June 2019
	\$	\$
(a) Issued and paid-up capital		
Fully Paid Ordinary shares	68,234,417	62,317,143

(b) Movements in shares on issue

	31 December 2019		30 June 2019	
	Number of Shares	\$	Number of Shares	\$
Opening balance	354,854,921	62,317,143	352,706,280	61,925,515
Issued during the period (i)	-	-	2,148,641	397,539
Issued during the period (ii)	791,557	79,157	-	-
Issued during the period (iv)	57,142,857	6,000,000	-	-
	412,789,335	68,396,300	2,148,641	397,539
Transaction costs on issue	-	(382,725)	-	(5,911)
Closing Balance	412,789,335	68,013,575	354,854,921	62,317,143

- (i) Refer to the 30 June 2019 annual report for details of these transactions.
(ii) Issue of shares as part of the acquisition of the Kandiole licence – refer Note 2.
(iii) Issue of shares pursuant to a placement on 12 September 2019 for the issue of 57,142,857 shares at an issue price of 10.5 cents per share.

(c) Share Options

At 31 December 2019 there were 25,225,000 (30 June 2019: 20,375,000) unissued ordinary shares for which unlisted options were outstanding comprising.

During the half year:

- (i) 11,050,000 options lapsed unexercised.
(ii) 1,400,000 ZEPOS were issued to a Non-Executive Director (refer note 6)
(iii) 14,500,000 ZEPOS were issued to Non-Executive Directors and other Executives (refer note 6)

Note 4: DIVIDENDS

No dividends were paid or declared by the company during the half-year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**
Note 5: SEGMENT INFORMATION

At 31 December 2019 the segment information reported was analysed on the basis of geographical region (Australia and Mali). During the period to 31 December 2019, the Group's management reporting has remained unchanged.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the review periods:

	Australia		Mali		Group	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Segment revenue	23,939	16,243	-	-	23,939	16,243
Segment expense	(748,821)	(666,549)	-	-	(748,821)	(666,549)
Segment result	(724,883)	(650,306)	-	-	(724,883)	(650,306)
Finance income			-	-	2,353	10,832
Finance expense			-	-	-	(3)
Profit/(Loss) before income tax					(722,529)	(639,477)

The following is an analysis of the Group's assets by reportable operating segment:

	31 December 2019	30 June 2019
Segment assets	\$	\$
Australia	7,598,748	6,524,424
Mali	49,182,734	46,122,079
Total assets	56,781,482	52,646,503

The following is an analysis of the Group's liabilities by reportable operating segment:

	31 December 2019	30 June 2019
Segment liabilities	\$	\$
Australia	188,359	174,737
Mali	1,444,615	1,647,851
Total liabilities	1,632,974	1,822,588

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**
Note 6: SHARE BASED PAYMENTS

	Note	2019 \$	2018 \$
(a) Recognised share based payments			
Expense recognised for director or key management personnel services		7,292	-
Expense recognised for consulting services (capitalised as exploration expenditure)		19,833	78,631
		27,125	78,631
Being			
Amounts Expensed			
Fair value of issue of options to executives on 10 December 2019 with an expiry date of 10 December 2024, with performance conditions and vesting conditions	(ii)	7,292	-
Fair value of issue of options to non-executive directors on 10 December 2019 with an expiry date of 10 December 2024, with performance conditions and vesting conditions	(ii)	-	-
Recognised as expense		7,292	-
Amount Capitalised			
Refer to 30 June 2019 audited accounts and 31 December 2018 half-year accounts for details of fair value of options issued with no vesting conditions and amounts capitalised			-
Fair value of issue of options to executives on 10 December 2019 with an expiry date of 10 December 2024, with performance conditions and vesting conditions	(ii)	7,812	55,392-
Fair value of issue of options to consultants and employees on 24 November 2017 with expiry date of 24 November 2019 and 12 months vesting conditions	(i)	-	15,220
Fair value of issue of options to consultants and employees on 24 November 2017 with expiry date of 24 November 2020 and 24 months vesting conditions	(i)	12,021	8,019
Recognised as Exploration and Evaluation Expenditure (Asset)		19,833	78,631
Total amount recognised share based payments		27,125	78,631

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**
Note 6: SHARE BASED PAYMENTS (Continued)

- (i) On 24 November 2017, the board approved the issue of a total of 250,000 options with deferred vesting conditions to a consultant of the Group pursuant to the Employee Option Plan. The options have been valued using an option pricing model. Details of the options issued are set out in the table below, including the values and inputs used in the option pricing model.

Issue Date	24 November 2017	24 November 2017	24 November 2017
Expiry Date	24 November 2020	24 November 2019	24 November 2020
Number of Options	800,000	250,000	250,000
Exercise Price	\$0.40	\$0.35	\$0.40
Risk free rate	1.5%	1.5%	1.5%
Vesting Conditions	12 months	12 months	24 months
Volatility	80%	80%	80%
Probability adjustment for Vesting	90%	90%	85%
Value per option	\$0.14972	\$0.13164	\$0.14972
Total value of all options	\$119,776	\$32,910	\$37,430
Amount capitalised to EED in prior Periods	\$119,776	\$32,910	\$25,409
Amount capitalised to EED in current Period	-	-	\$12,021
Amount capitalised to EED in future periods	-	-	-

- (ii) At the Annual General Meeting on 22 November 2019, shareholders approved the issue zero priced performance options (ZEPOS) to non-executive directors, executive directors and other executives. On 10 December 2019, these ZEPOS were issued to the directors and other executives. The ZEPOS have been valued using an option pricing model. Details of the options issued are set out in the table below, including the values and inputs used in the option pricing model,

	Issue to Non-Executive Directors	Issue to Executive Directors and other Executives
Issue Date	10 December 2019	10 December 2019
Expiry Date	10 December 2024	10 December 2024
Number of Options	1,400,000	14,500,000
Exercise Price	\$0.00	\$0.00
Risk free rate	0.63%	0.63%
Minimum Service Period (Time Vesting)	36 months	36 months
Volatility	90%	90%
Performance Vesting conditions (Management's probability assessment)	1/3 of the ZEPOS will vest on the first anniversary from the date of grant 1/3 of the ZEPOS will vest on the second anniversary from the date of grant 1/3 of the ZEPOS will vest on the third anniversary from the date of grant	1/3 on achieving a minimum of 300,000 ozs of gold (60%) 1/3 on achieving a minimum of 500,000 ozs of gold (40%) 1/3 on achieving a minimum of 1,000,000 ozs of gold (10%) (each with at least 2 grams of gold per tonne) reported at an economic grade to JORC standard
Value per option	\$0.125	\$0.125
Total value of all options	\$175,000	\$1,812,500
Amount expensed in current Period	-	\$7,292
Amount expensed in future periods	\$175,000	\$867,708
Amount capitalised to EED in current Period	-	\$7,812
Amount capitalised to EED in future periods	-	\$929,688

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**
Note 7: EXPENDITURE COMMITMENTS AND CONTINGENCIES

Other than as set out below, there have been no major changes to the expenditure commitments or contingencies of the Group from those disclosed in the annual financial statements for the year ended 30 June 2019.

- i) During the half year, the Kandiole Licence was acquired and the Solabougouda licence was renewed. These licences required the following additional expenditure commitments:
- | | |
|--|-----------|
| - Within one year | \$197,646 |
| - Later than one year but less than five years | 1,412,602 |

Note 8: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date:

- i) On 17 February 2020, the Company issued 900,000 Zero Exercise Priced Options (ZEPOs) with an expiry date of 17 February 2025 in accordance with the Employee Share Option Plan. The ZEPOS have the same time vesting and performance vesting conditions as the ZEPOS issued to Executives during the Reporting Period as set out in Note 6.
- ii) On 6 March 2019, the Company completed a private placement by the issue of 59,523,811 fully paid ordinary shares at an issue price of \$0.21 per share to raise a total of \$12.5 million.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial period, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 9: RELATED PARTIES

Mr Mark Connelly was appointed as the Non-Executive Chairman on 16 July 2019. Mr Connelly will be entitled to director's fees of \$70,000 p.a

Options were issued to Key management Personnel during the period, including to Mr Mark Connelly, refer to Note 6 for further information.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 23 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date.
- (b) there are reasonable grounds to believe that Oklo Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors made pursuant to S305 (5) of the *Corporations Act 2001*.



Simon Taylor
Managing Director
Sydney
13 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oklo Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Oklo Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to be 'Neil Smith', written over a small, faint BDO logo.

Neil Smith
Director

Perth, 13 March 2020