

Appendix 4D - Half Year Report for six months ended 31 December 2016**Results for announcement to the market**

Name of entity	OAKDALE RESOURCES LIMITED
ABN	27 009 118 861

1 Reporting Period

Half Year Ended	31 December 2016
Previous Corresponding period – half year ended	31 December 2015

2 Results for announcement to the market

Revenue from ordinary activities	Up	-	to	-
Loss from ordinary activities after tax attributable to members	Down	72%	to	(86,470)
Net loss for the period attributable to members	Down	72%	to	(86,470)

	Amount per Security	Franked amount per Security
Interim Dividend - Current period	Nil	Nil
- Previous corresponding period	Nil	Nil
Final Dividend - Current period	Nil	Nil
- Previous corresponding period	Nil	Nil

No interim dividend has been declared for the half-year ended 31 December 2016.

Commentary on Result

The net loss of the Group for the first half year after providing for income tax amounted to \$86,470 (2015: \$307,181).

The Board is pleased to report that the Group completed initial air core drilling at the Oakdale Project and commenced air core drilling at the Oakdale East Project. 11 diamond drill holes were completed to conduct metallurgical test work and specific gravity determinations.

This half yearly financial report is to be read in conjunction with the 2016 annual financial report.

3 Net tangible assets per security

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	0.05 cents	0.88 cents

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)

- Not Applicable -

Date(s) of gain of control
(item 4.2)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)

\$

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$

Loss of control of entities

Name of entities (item 4.1)

- Not Applicable -

Date(s) of loss of control (item 4.2)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).

\$

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2016		Nil
Final dividend year ended 30 June 2016		Nil

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (<i>each class separately</i>)	Nil	Nil

6. Details of dividend or distribution reinvestment plans in operation are described below (*item 6*):

- Not Applicable -

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

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7. Details of associates and joint venture entities (item 7)

Name of associate or joint venture entity	%Securities held
- Not Applicable -	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2016 \$	2015 \$
Profit (loss) from ordinary activities before tax		
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax		
Adjustments		
Share of net profit (loss) of associates and joint venture entities		

The financial information provided in the Appendix 4D is based on the half year financial report (attached).

9. Independent review of the financial report (item 9)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

OAKDALE RESOURCES LIMITED

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Interim Financial Report for the half-year ended 31 December 2016

The half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2016.

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DIRECTORS' REPORT

Your directors present their report on Oakdale Resources Limited for the half-year ended 31 December 2016.

Directors

The names of the directors in office at any time during, or since the end of, the period are:

John E Lynch

Graham White

Phillip Staveley

Andrew Harrington

Directors have been in office since the start of the financial period to the date of this report, unless otherwise stated.

Operating Result

The net loss of the Group for the first half year after providing for income tax amounted to \$86,470 (2015: \$307,181).

Review of Operations

The Board is pleased to report that Oakdale Resources continued to explore various commercial development options during the last six months based on the Scoping Study completed during 2016 and the identified graphite mineralisation at its Oakdale Graphite Project.

The review of the Company's commercial options followed the announcement that an ore resource, metallurgical pathway and a positive Scoping Study had been completed which highlighted the positive economics of the Oakdale Graphite Project.

The Company is still awaiting a response to its application lodged with the Department of Natural Resources and Mines for a lithium/cobalt prospect located in Queensland.

The Company will receive \$144,048 from the Department of Industry, Innovation and Science to recover the research and development funds expended in the 2016 financial year on the Oakdale Graphite Project.

Mineral Resources

Mineral Resource Calculations were completed for the Oakdale Project and the partially drilled Oakdale East prospect.

Metallurgy

As previously announced the test work indicated that a +90% graphite float concentrate could be achieved with 84% recovery of the contained graphite. These results are encouraging as a 99%+ concentrate has a high economic value and is used in the manufacture of lithium-ion batteries.

The Company is also continuing to explore a range of other commercial opportunities for its products

Summary of the results of the Scoping Study are:

- The scoping study confirmed the positive economics of the Oakdale Graphite Project.
- The Scoping Study was based on an initial three years of operation.
- Graphite has been intersected in wide spaced drill holes.
- Ongoing operating costs for the graphite plant to be constructed are expected to be relatively low based on metallurgical test work conducted.
- The mining cost are also expected to be relatively low as no drilling or blasting should be required

Planned Programme

In the coming six months the Company will focus on raising the required development capital, and seeking strategic partners to develop what it expects to be a financially viable Oakdale Graphite Project.

The Company is also continuing to explore a range of strategic acquisition opportunities that have emerged in the region and will advise shareholders if and when those discussions and negotiations reach a sufficiently advanced stage.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* is set out on page 14.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports), the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of directors.



John Lynch
Director

Melbourne
24 February 2017

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2016**

		Half- year	
		December 2016 \$	December 2015 \$
Other revenue	2	830	9,320
Expenses			
ASX and share registry fees		(22,261)	(21,631)
Professional fees		(64,161)	(96,180)
Insurance expenses		-	(24,136)
Administration expense		(878)	(174,554)
Total expenses		(87,300)	(316,501)
Profit / (loss) before income tax expense		(86,470)	(307,181)
Income tax expense		-	-
Profit / (loss) after income tax for the half year		(86,470)	(307,181)
Other comprehensive income for half-year		-	-
Total comprehensive income / (loss) for half-year		(86,470)	(307,181)
Total comprehensive income / (loss) attributable to members		(86,470)	(307,181)
Earnings per share for loss attributable to equity holders of the parent entity:			
Basic earnings / (loss) per share (cents per share)		(0.16)	(0.56)
Diluted earnings / (loss) per share (cents per share)		(0.16)	(0.56)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2016

	Notes	December 2016 \$	June 2016 \$
Current Assets			
Cash and cash equivalents		55,952	131,553
Other receivables		6,496	5,154
		62,448	136,707
Non Current Assets			
Exploration and evaluation expenditure	3	7,884,335	7,894,421
Total assets		7,946,783	8,031,128
Current liabilities			
Trade and other payables		32,602	30,477
Total current liabilities		32,602	30,477
Net assets		7,914,181	8,000,651
Equity			
Issued capital	6	4,609,596	4,609,596
Retained earnings		3,304,585	3,391,055
Total equity		7,914,181	8,000,651

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2016**
Half-year ended 31 December 2015

	Contributed equity	Retained earnings	Total equity
	\$	\$	\$
At 1 July 2015	4,609,596	3,882,299	8,491,895
Loss attributable to members of the Parent Entity	-	(307,181)	(307,181)
At 31 December 2015	4,609,596	3,575,118	8,184,714

Half-year ended 31 December 2016

	Contributed equity	Retained earnings	Total equity
	\$	\$	\$
At 1 July 2016	4,609,596	3,391,055	8,000,651
Loss attributable to members of the Parent Entity	-	(86,470)	(86,470)
At 31 December 2016	4,609,596	3,304,585	7,914,181

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows
for the half-year ended 31 December 2016**

	Half-year	
Notes	December 2016 \$	December 2015 \$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(84,683)	(291,884)
Interest received	830	9,320
Net cash flows used in operating activities	(83,853)	(282,564)
Cash flows from investing activities		
Payment for exploration expenses	(94,627)	(1,008,016)
Receipts of research and development grants	102,879	-
Net cash provided by (used in) investing activities	8,252	(1,008,016)
Cash flows from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	(75,601)	(1,290,580)
Cash and cash equivalents at beginning of the half year	131,553	1,805,130
Cash and cash equivalents at end of the half year	55,952	514,550

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Basis of preparation of the half-year financial report**

The half-year financial report does not include all notes of the type normally included within the annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Oakdale Resources Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

Oakdale Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the director's report.

(a) Basis of accounting

This half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The acquisition of Lymex Tenements Pty Ltd ("Lymex") on 27 November 2014 was treated as a reverse acquisition in accordance with Australian Accounting Standards whereby Lymex is considered the accounting acquirer on the basis that Lymex is the controlling entity in the transaction. As a result Lymex is the continuing entity for consolidated accounting purposes and the legal parent Oakdale Resources Limited is the accounting subsidiary.

The half-year financial report has been prepared in accordance with the historical cost convention.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2016 and the corresponding half-year.

(b) Going Concern

The 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Basis of preparation of the half-year financial report (cont'd)****(b) Going Concern (cont'd)**

For the half year ended 31 December 2016, the Group reported a loss of \$86,470 (2015: loss of \$307,181) and cash out flows from operating and investing activities of \$75,601 (2015: \$1,290,580). The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

To this end, the Group is expecting to fund ongoing obligations as follows:

- The Group had cash reserves at 31 December 2016 of \$55,952.
- The Group has completed a large proportion of its exploration activities required for its graphite project
- The Group also continues to rigorously examine and review the Group's cost structure
- Issuance of equity via OAR securities, or debt funding, to support project funding needs
- Receipts of R&D Tax Incentive refund for expenditure incurred in FY16.

Based on the above and cash flow forecasts prepared, the directors are of the opinion that the Group is well positioned to meet its objectives and obligations going forward and therefore that the basis upon which the financial statements are prepared is appropriate in the circumstances.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not continue as a going concern.

(c) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 2: Other revenue**

	December 2016 \$	June 2016 \$
Interest received	830	9,320
	830	9,320

Note 3: Exploration & evaluation expenditure

	\$
Balance at 30 June 2016	7,894,421
Additional expenditure	92,793
Research and development grants	(102,879)
Impairment write off	-
Balance at 31 December 2016	7,884,335

Note 4: Segment reporting*Identification of reportable operating segments*

Oakdale Resources Limited operates in the mineral exploration and mining industry in Australia. The Group has adopted AASB8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors. At regular intervals, the board is provided with management information at a group level for the group's cash position, the carrying values of exploration permits and a group cash forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

Note 5: Fair values of financial instruments

At reporting date, the Group has no financial instruments which are measured at fair value in the Statement of Financial Position.

Due to their nature, the carrying amount of cash and cash equivalents relate to financial assets, trade and other payables and borrowings are assumed to approximate their fair value. Accordingly no quantitative disclosures have been included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 6: Equity (legal entity)**

	December 2016 \$	June 2016 \$
Ordinary Shares		
54,437,685 ordinary shares (June 2016: 54,437,685)	4,609,596	4,609,596

Note 7: Subsequent events note

There have been no matters or circumstances that have arisen since the end of the half year which 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 years.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 5 to 12 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the Group as at 31 December 2016 and of its performance for the financial half year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Oakdale 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.



John Lynch
Director

Date: 24 February 2017

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF OAKDALE RESOURCES LIMITED

As lead auditor for the review of Oakdale Resources Limited for the half-year ended 31 December 2016, 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 Oakdale Resources Limited and the entities it controlled during the period.



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 24 February 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oakdale Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Oakdale Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2016, 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 ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2016 and its 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 Oakdale Resources Limited, 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 Oakdale Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

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 Oakdale Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney', is written over a faint, stylized 'BDO' logo.

James Mooney
Partner

Melbourne, 24 February 2017