OAKDALE RESOURCES LIMITED
ACN 009 118 861

ANNUAL REPORT 30 JUNE 2018

OAKDALE RESOURCES LIMITED
ACN 009 118 861

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

INDEX

CORPORATE DIRECTORY

Board of Directors

Mr John E Lynch
Mr Graham White
Mr Andrew Harrington

Company Secretary

Mr Hemant Amin

Auditors

BDO East Coast Partnership
727 Collins Street,
Melbourne VIC 3008

Registered & Principal Office

8 Maud Street
Newstead QLD, 4006

Postal address: PO Box 3199, Newstead QLD - 4006

Telephone:	(07) 3624 8188
Facsimile:	(07) 3623 8133

Stock Exchange Listing

Oakdale Resources Limited shares are listed on the Australian Securities Exchange (ASX Code – OAR)

Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153

Telephone:	(08) 9315 2333
Facsimile:	(08) 9315 2233

MANAGING DIRECTOR'S REPORT

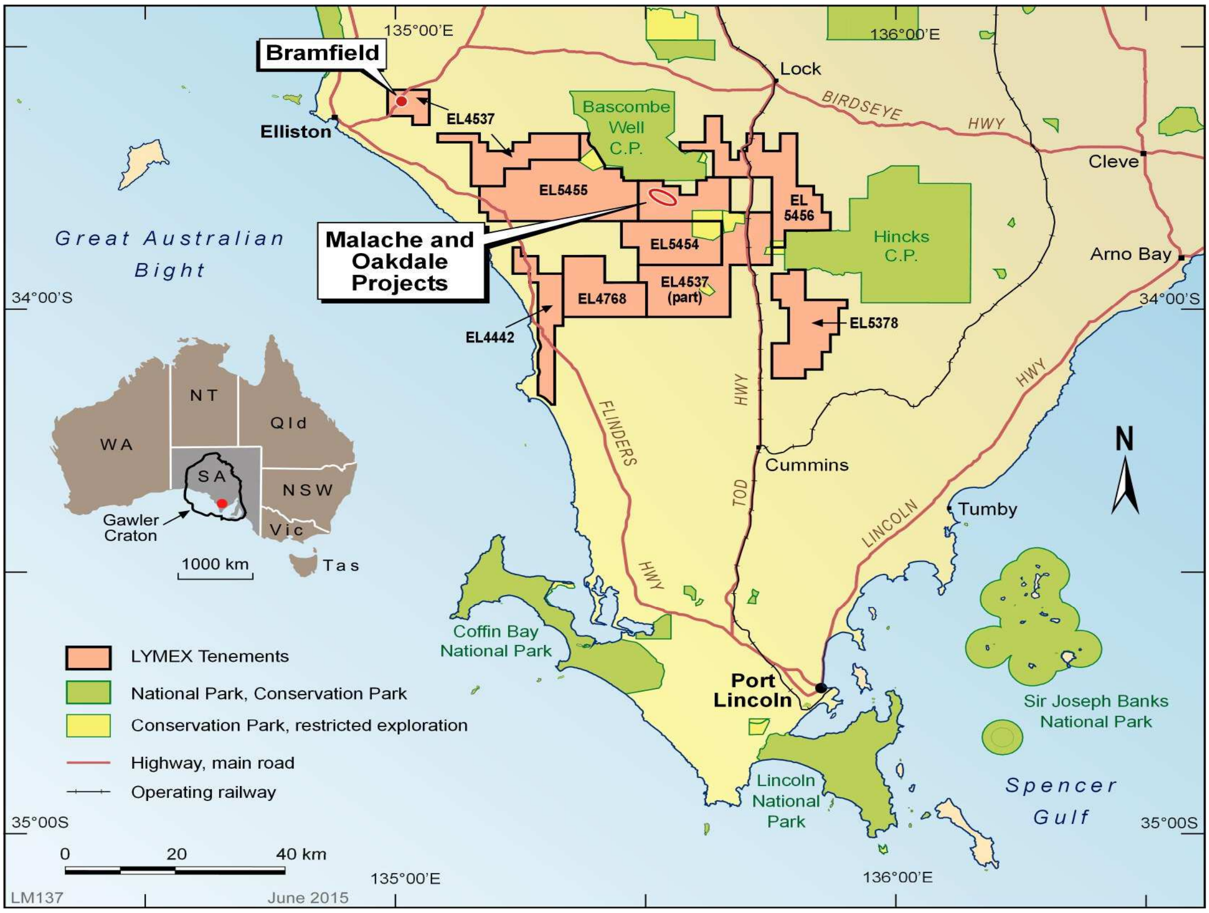
Oakdale Resources Limited (**Oakdale Resources**) has a financially viable graphite mineralisation at its Oakdale Graphite Project on the Eyre Peninsula in South Australia.

An ore resource, metallurgical pathway and positive Scoping Study have been completed and released to the ASX highlighting the robust economics of the Oakdale Graphite Project. The Scoping study demonstrating a NPV of $170.2m on a project with capex of $48.7m and cost of production of $286/tonne.

Mineral Resource estimates were delineated for the Oakdale Graphite Project Area consisting of 6,220,000 tonnes at a grade of 4.8% TGC (Total Graphitic Carbon) within an overall saprolitic graphite resource of 13,450,000 tonnes of 3.3% TGC.

A confirmed metallurgical processing route was demonstrated indicating that Oakdale Resources can produce a +90% TGC concentrate by grinding to 90% passing 150µm. Recovery will be approximately 84% overall. A conceptual Oxide Processing Flowsheet for Oakdale Resources graphite has been delineated based on extensive metallurgical test work.

Given the geographical location of the Oakdale Resources graphite deposits on the Eyre Peninsula in South Australia, and the stable political and economic climate in Australia, in particular when compared to the political and economic climate of the countries in which a number of the other graphite companies are located, the Company believes that it has a competitive advantage over many of its graphite competitors.



MANAGING DIRECTOR'S REPORT – (CONT'D)

Mineral Resources

- Mineral resource calculations for the Oakdale area and the partially drilled Oakdale East prospect were completed in the prior year by Adelaide based Maptek.

Oakdale plus Oakdale East

- The total indicated and inferred mineral resource calculated within the two mineralised zones drilled to date at a 3% TGC cut-off is 6,220,000 tonnes at a grade of 4.8% TGC within an overall saprolitic graphite resource of 13,450,000 tonnes at 3.3% TGC within the interpreted mineralised domains.

Oakdale Project Area

- 5,650,000 tonnes of 4.7% TGC at a cut-off grade of 3% TGC is contained in an overall indicated and inferred resource of 11,800,000 tonnes at 3.3% TGC within the interpreted mineralised domains.

Oakdale East Prospect Area (partially drilled and open to the east and west)

- 670,000 tonnes of 5.1% TGC at a cut-off of 3% TGC is contained in an overall inferred resource of 1,600,000 tonnes of 3.2% TGC within the interpreted mineralised domains.

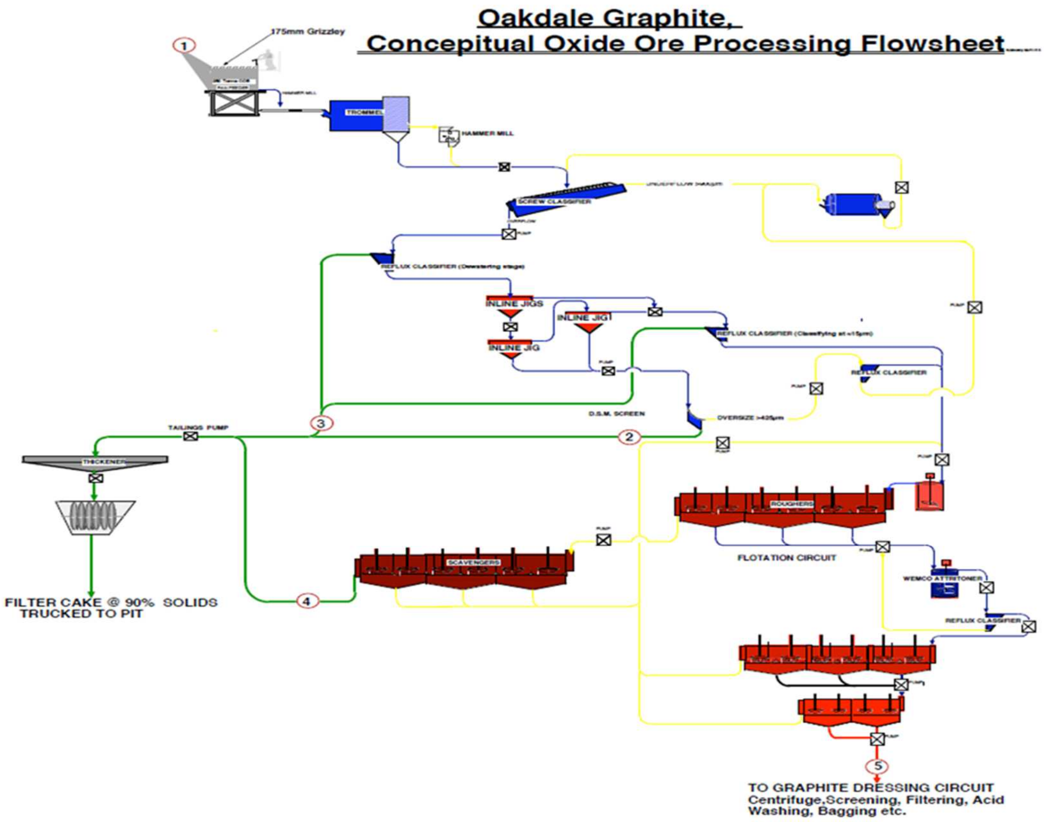
- The mineral resources at Oakdale of 5,650,000 tonnes of 4.7% TGC reported above include 2,686,000 tonnes of indicated resources at the same grade of 4.7% TGC.

- The mineral resource is based upon a dry Specific Gravity (SG) of 1.8. The saprolitic graphite mineralisation will be damp so the in situ tonnages will be approximately 10% higher at the same grade.

Metallurgy

The test work indicates that a +90% graphite float concentrate can be achieved with 84% recovery of the contained graphite. This float graphite concentrate will be treated by acid washing to obtain a greater than 99% graphite concentrate. These results are encouraging as a 99%+ concentrate has a high economic value and is used in the manufacture of spherical graphite, one of the core ingredients of lithium-ion batteries.

MANAGING DIRECTOR'S REPORT – (CONT'D)



Simple ore processing Flowsheet with no crushing and minimal secondary grinding

Scoping Study

Highlights of the Scoping Study are as follows:

• Oakdale	5.65m tonnes @ 4.7% TGC
• Oakdale East	670,000 tonnes @ 5.1% TGC
• Mining Rate:	2m tonnes p.a.
• Forecast production	94,500 tonnes p.a.
• Mill Recovery:	80%
• Cost of Production	AUD$286 per tonne
• NPV	AUD$170.2m over 3 years

Summary of the results of the Scoping Study:

- The Scoping Study highlights the robust economic nature of the Oakdale Graphite Project with an estimated operational cost of mining and processing assessed to be AUD $13.25 per tonne and a projected cash cost of production of approximately AUD $286 per tonne. Based on an initial 3 years mine life for the Oakdale Project the NPV for the project is estimated at approximately AUD $170m.

- The initial graphite resource has been outlined over a distance of 1,500 metres and with a width of up to 500 metres. The graphite mineralisation is approximately 20 metres thick in the saprolite zone with a maximum depth of 55 metres. This mineralisation contains both indicated and inferred mineral resources.

MANAGING DIRECTOR'S REPORT – (CONT'D)

Summary of the results of the Scoping Study (cont'd)

- The Scoping Study was completed with the assistance of Maptek (ore resources), Esker Milling & Processing Pty Ltd, Bureau Veritas, Adelaide, ALS Metallurgy, Burnie (metallurgy) and Alliance Contracting (mining).
- The study was based on an initial 3 years of operation. Graphite has been intersected in wide spaced drill holes and further drilling is planned for Oakdale East and North.
- Operating costs for the mill have been estimated at approximately AUD $9.00/tonne based on metallurgical test work conducted by Bureau Veritas in Adelaide, in conjunction with Consultant Metallurgist, Nick Moony of Esker Milling and Processing Pty Ltd with no primary crushing and only minor secondary grinding required.
- The mining cost of approximately AUD $2.25 per tonne has been estimated by Alliance Contracting. No drilling or blasting is expected to be required.
- The current graphite price for the grades of flake expected to be produced has been used in the financial modelling. The incremental pricing for higher grades of graphite by chemical leaching should increase the value of the project (higher purity will lead to a higher NPV).

Potential Additional Graphite Resources

Diamond drill hole BLDD15, approximately one kilometre north of the primary Oakdale project area, previously drilled in 2007 has been assayed for TGC. These assays demonstrate that the graphite occurs over 39% of the drill hole, that is over 50 metres in an overall interval of 129 metres and assays received (average 6.6% TGC) are as follows.

From	To	Interval	TGC%
124.12	126.60	2.48	8.99
129.90	136.45	6.55	11.73
142.40	143.74	1.34	12.20
146.90	156.30	9.40	8.42
161.40	162.60	1.20	4.95
168.05	169.60	1.55	8.65
172.30	186.00	13.70	4.76
204.10	207.05	2.95	5.27
239.80	241.80	2.00	7.80
244.64	253.30	8.66	2.14

Rehabilitation

All aircore holes, diamond drill holes and other disturbances have been rehabilitated.

MANAGING DIRECTORS' REPORT – (CONT'D)

Africa Mineral Sands Project

On 29 November 2017 the Company issued 7,500,000 shares to nominees of Africa Mineral Sands Pte. Ltd (AMS), to acquire a 1% equity interest in AMS and an option to acquire up to a 51% equity interest in AMS. The Company terminated the agreement to acquire the equity interest in AMS on 10 August 2018.

To give effect to the termination, Madachi Holdings Pty Ltd (AMS's nominee) has now entered into a buy back agreement with Oakdale whereby it has agreed to sell back the Shares to Oakdale for nil consideration.

The buy-back is subject to shareholder approval and once bought back, the Shares will be cancelled. A special resolution for the buyback will be put to shareholders at Oakdale's next shareholders' meeting, due to be held in November 2018.

Impairment of Exploration and Evaluation Expenditure

A provision of $4,515,388 for an impairment of Exploration and Evaluation expenditure has been recognised in relation to the Company's Oakdale Graphite Project on the Eyre Peninsula in South Australia. During the financial year ended 30 June 2018, the company has been considering its funding requirements in light of cash flow constraints, and has been exploring various options for its graphite projects.

In May 2018, the company agreed a revision with the South Australian Government of the terms of the Amalgamated Expenditure Agreement for the Central Eyre Peninsula Projects and South Australian Government to extend the Company's interest at a reduced minimum exploration expenditure for the period ending 31 December 2019. The extension will allow the company to source new funding for the project, or explore off-take or other strategic agreements for the asset.

While the Company considers its options and manages its cash flow requirements, substantive expenditure on further exploration activities in the specific area is neither budgeted nor planned. This has triggered an impairment indicator under AASB 6: *Exploration for and Evaluation of Mineral Resources*, and accordingly an impairment expense is recognised profit or loss.

The Board remain committed to the project, and will continue to work towards development of the Graphite assets when cash flow allows.

Planned Programme

Work in the coming year will concentrate on seeking prospective off-take partners to further develop the Oakdale Graphite Project.

I want to thank shareholders for their ongoing support of the Company and look forward to an exciting year ahead.

Yours sincerely

J E Lynch

John E Lynch B.Sc (Sydney) M.Sc. (James Cook) FAICD and FAIMM
Managing Director

DIRECTORS' REPORT

Your directors present the following report for the financial year ended 30 June 2018.

Directors

The names and details of the Company's directors at the date of this report are as follows;

Mr John Lynch B.Sc (Sydney) M.Sc. (James Cook) FAICD and FAIMM

John Lynch was appointed on 27 November 2014 and he is the Managing Director of the Company following completion of the acquisition of Lymex Tenements Pty Ltd.

He has significant exploration and development experience including the discovery and development of the Mt Leyshon, Camel Creek and Big Rush gold mines in North Queensland and the discovery and evaluation of the Weda Bay nickel cobalt deposit in Indonesia.

He has successfully delivered a number of mining projects into production. John Lynch has previously held the following positions: Founding Director, President and CEO of Weda Bay Minerals Inc; Founder and Managing Director of Werrie Gold Limited; General Manager, Director and Co-founder of Pan Australian Mining Limited; Exploration Manager of Marathon Petroleum Australia Ltd; Exploration Manager and Chief Geologist of Metals Exploration Limited; and Assistant Exploration Manager of North Broken Hill Limited.

Mr Graham White B.A.

Graham White was appointed as a Non-Executive Director of the Company on 27 November 2014.

He has extensive experience in investor and media relations with companies and organisations in the mining sector over more than 25 years. He has consulted to industry groups including the Minerals Council, The Aus IMM and AMIRA International on communications issues, handled investor and media relations for a range of minerals companies and developed and managed community relations programmes for mining projects and for other sensitive industries.

Mr Andrew Harrington B.Econ, M.Bus.

Andrew Harrington was appointed as a Non-Executive Director of the Company on 27 November 2014.

He has worked in the mining and energy industries for 17 years in consulting, project finance, institutional banking, and stockbroking roles. He was a top rated mining and energy equities analyst at Paterson Securities for six years where he covered the coal, rare earths, lithium, and other specialty products like graphite. In that time Reuters Starmine awarded him the #1 Stock pickers in the Energy Sector for 2011.

Andrew has previously worked at ANZ, Wood Mackenzie, and ABN Amro in various analytical and client-facing roles. He is an expert in mining evaluation and has conducted due diligence, market supply and demand analysis, management interrogation, and financial modelling on many projects. He is often quoted in the print and television media commenting on the mining industry. Currently, he is the director and founder of his own advisory firm, Indexys, which assists miners and investors with valuation, analysis, presentations, capital allocation and sourcing.

DIRECTORS' REPORT (CONT'D)

Company Secretary

Hemant Amin CPA

Hemant Amin is a certified practicing accountant. Hemant has over 30 years' of accounting and business experience and has worked for both large multinational and public companies as well as smaller family owned operations. Hemant now works as a management consultant. His most recent role was as Company Secretary of Stokes Limited.

Directors' interests

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows, including beneficial or related party interest:

Directors	No of Ordinary Shares	No. of Options over Ordinary Shares
Mr John E Lynch	26,302,228	Nil
Mr Graham White	146,387	Nil
Mr Andrew Harrington	Nil	Nil

Directors meetings

The number of directors' meetings held during the financial year and the number of meetings attended by each director are as follows:

Director	Directors' Meetings	
	Eligible to attend	Attended
Mr John E Lynch	5	5
Mr Graham White	5	5
Mr Andrew Harrington	5	5

Unissued shares under option

There were no unissued ordinary shares of the Company under option at the date of this report.

Shares issued on exercise of options

No shares have been issued on the exercise of options during the financial year.

Dividends paid or recommended

There were no dividends paid or declared by the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

Principal Activities

The Consolidated entity carries out mining exploration with the intention of developing a viable graphite mining operation and graphite project located on Central Eyre Peninsula in South Australia.

Review and Results of Operations

The Consolidated entity has made good progress on the evaluation of the Oakdale Graphite Project since listing on the ASX. The Company has conducted significant work and discovered financially viable graphite resources at its Oakdale Graphite Project on the Eyre Peninsula in South Australia.

Metallurgical test work has defined a treatment method to obtain maximum recoveries of flake graphite. These recovered samples of flake graphite will be used as a basis to pursue off-take agreements with appropriate customers in the year ahead.

The financial result for the year ended 30 June 2018 was a loss of $8,068,535 (2017: loss of $559,401).

The Board initiated action to exit from the African Mineral Sands Projects (AMS) and agreed to write-off the $300,000 initial investment in AMS as at 30 June 2018. The final exit agreement was executed on 10 August 2018.

During the financial year ended 30 June 2018 the Consolidated entity has written-off capitalised tenements cost of $2,979,855 (2017: $372,829) on relinquishment of tenements which the Company is not going to explore to mine Graphite and other mineral resources going forward.

In May 2018, the company agreed a revision with the South Australian government of the terms of the Amalgamated Expenditure Agreement for the Central Eyre Peninsula Projects and South Australian Government, Mineral Tenements and Exploration branch agreed to extend the company's interest at reduced minimum exploration expenditure for the period ending 31 December 2019. The extension will allow the company to source new funding for the project, or explore off-take or other strategic agreements for the asset.

While the company considers its options and manages its cash flow requirements, substantive expenditure on further exploration activities in the specific area is neither budgeted nor planned. This has triggered an impairment indicator under AASB 6: Exploration for and Evaluation of Mineral Resources, and accordingly an impairment expense is recognised profit or loss.

A provision of $4,515,388 for an impairment of Exploration and Evaluation expenditure has been recognised in relation to the Company's Oakdale Graphite Project on the Eyre Peninsula in South Australia. During the financial year ended 30 June 2018, the company has been considering its funding requirements in light of cash flow constraints, and has been exploring various options for its graphite projects.

The Board remain committed to the project, and will continue to work towards development of the Graphite assets when cash flow allows.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Consolidated entity and its controlled entities that occurred during the financial year under review not otherwise disclosed in this report or the accompanying financial report.

DIRECTORS' REPORT (CONT'D)

After Balance Sheet Date Events

On 10 August 2018, the Company exited from the African Mineral Sands Projects (AMS). The value of the initial investment in AMS was written-off as at 30 June 2018 and the Company does not expect any further costs on exit from the AMS project.

Apart from above, Directors are not aware of any matters or circumstances not otherwise dealt with in this report that has significantly, or may significantly affect, the operations or the state of affairs of the Consolidated entity in future financial periods.

Environmental Issues

The Consolidated entity aims to ensure that the highest standard of environmental care is achieved. The Board maintains the responsibility to ensure that the Consolidated entity's environment policies are adhered to and to ensure that the Consolidated entity is aware of, and is in compliance with, all relevant environmental legislation. There have been no environmental breaches during the 2018 financial year and also during 2017 financial year.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel of Oakdale Resources Limited for the financial year ended 30 June 2018. The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

The Remuneration Report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The directors and other key management personnel of the Consolidated entity during or since the end of the financial year were:

Mr John E Lynch

Mr Graham White

Mr Andrew Harrington

The remuneration for Executive Directors is currently not linked to the Consolidated entity's financial performance or share price. None of the remuneration of the directors listed below was considered at risk.

There are no retirement schemes in place for directors other than statutory contributions to superannuation.

The Remuneration Report is set out under the following headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Share-based payments
D Directors Equity Holdings

A Principles used to determine the nature and amount of remuneration

The objective of the Consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

The remuneration structure for key management personnel including directors and senior managers is based on the following factors:

- experience of the individual concerned
- the overall performance of the market in which the Consolidated entity operates
- the overall performance of the Consolidated entity

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (CONT'D)

B Details of remuneration

Remuneration levels are set by the Consolidated entity in accordance with industry standards to attract suitable qualified and experienced directors and senior executives.

The Consolidated entity has not engaged a remuneration consultant. There is no formal contract of employment for the executives of the Consolidated entity. Whilst there is no formal contract of employment, standard employment conditions apply.

No remuneration was paid to key management personnel during the financial year ended 30 June 2018 and also during the financial year ended 30 June 2017. The key management personnel, including the Managing Director have agreed to waive any entitlement to remuneration or other entitlements until further progress has been made on the Oakdale Graphite Project and the Company has conducted a further capital raising to fund its future operations.

The following table summarises company performance and key performance indicators:

	2018	2017	2016	2015	2014
Revenue	-	-	-	-	-
% increase in revenue	-	-	-	-	-
Net Loss for the year	$8,068,535	$559,401	$491,244	$1,796541	$71,811
% increase in net loss	1,342%	14%	-73%	2,420%	-250%
Share price (cents per share)	0.021	0.028	0.125	0.155	0.007
Dividend paid to shareholders	-	-	-	-	-
Return of capital	-	-	-	-	-
Total remuneration of KMP	-	-	$262,819	$209,109	-
Total performance based remuneration	-	-	-	-	-

C Share-based compensation

No options or ordinary shares were provided as remuneration during the financial year and no shares were issued on exercise of options issued during the year.

D Directors' Equity Holdings

At the date of this report, directors have relevant interests in ordinary shares in Oakdale Resources Limited as follows:

Directors	No of Ordinary Shares	No. of Options over Ordinary Shares
Mr John E Lynch	26,302,228	Nil
Mr Graham White	146,387	Nil
Mr Andrew Harrington	Nil	Nil

Other transactions with key management personnel and their related parties

The Company incurred $30,000 (2017: $30,000) for services provided by Bourse Securities Pty Ltd, a related entity of Mr John E Lynch during financial year ended 30 June 2018. The services were provided on an arm's length basis. All transactions were made on normal commercial terms and conditions and at market rates.

End of Remuneration Report (audited)

DIRECTORS' REPORT (CONT'D)

Indemnification and insurance of officers and auditors

During the financial year, the Consolidated entity maintained an insurance policy which indemnifies the directors and officers of the Consolidated entity in respect of any liability incurred in connection with the performance of their duties as directors or officers of the Consolidated entity to the extent permitted by the *Corporations Act 2001*. The Consolidated entity's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

The Consolidated entity has not paid any insurance premiums in respect of any past or present directors or auditors, other than as required by law.

Proceedings on behalf of the Consolidated entity

No proceedings have been entered into on behalf of the Consolidated entity.

Likely developments and expected results

The Company will continue to pursue its operating strategy to create shareholder value. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the consolidated entity.

Non-audit services

The Consolidated entity's auditors BDO East Coast Partnership (BDO) provided non-audit services in relation to tax compliance services to the Company for which $3,000 (2017: $11,250) was paid or payable to BDO by the Consolidated entity. The directors are satisfied that the provision of the non-audit services was compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of the non-audit services provided was not such that auditor independence was compromised.

Auditor's independence declaration

The Auditors Independence Declaration for the year ended 30 June 2018 has been received and can be found on page 46 of the financial report.

Signed on 28 September 2018 in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.

J E Lynch

John E Lynch
Director

Melbourne, 28 September 2018

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Oakdale Resources Limited ("the Company") is responsible for the corporate governance of the economic entity. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

CORPORATE GOVERNANCE DISCLOSURES

The Board and management are committed to good corporate governance and have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council to the extent that they are applicable to the Company.

In summary, the Company departs from the Guidelines in three key areas:

- First, the Company does not have a separate Nomination Committee. This is a departure from Recommendation 2.4. The full Board attends to the matters normally attended to by a Nomination Committee;

- Second, the Company does not have a separate Remuneration Committee. This is a departure from Recommendation 8.1. The full Board attends to the matters normally attended to by a Remuneration Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced directors and senior executives; and

- Third, the Company currently does not have a separate audit committee. This is a departure from Recommendation 4.1. The Company is of a size and a level of current activity that enables the full Board to be able to attend to the matters normally attended to by the Audit Committee.

ROLE OF THE BOARD

The key responsibilities of the Board include:

- appointing, evaluating, rewarding and, if necessary, the removal of senior management;

- development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;

- monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;

- overseeing the management of business risks, safety and occupational health, environmental issues and community development;

- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;

CORPORATE GOVERNANCE STATEMENT (CONT'D)

ROLE OF THE BOARD (CONT'D)

- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and financial and other reporting; including reporting under listing rules 3.19A and 3.19B and section 205G of the *Corporations Act 2001*, are in place and functioning appropriately.
- assuring itself that appropriate audit arrangements are in place;
- ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:
  - Directors and Executive Officers Code of Conduct;
  - Dealings in Securities; and
  - Reporting and Dealing with Unethical Practices.
- reporting to and advising shareholders.

STRUCTURE OF THE BOARD

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (that is, is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional advisor to the Company or its subsidiaries whose billings are a material amount of the adviser's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;
- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In accordance with the definition of independence above, there are currently two non-executive directors of Oakdale Resources Limited who are considered to be independent.

There are procedures in place, agreed by the Board, to enable the directors in furtherance of their duties to seek independent professional advice at the Company's expense.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

STRUCTURE OF THE BOARD (CONT'D)

The term in office held by each director is as follows:

Name	Term
Mr John E Lynch	No Contract
Mr Graham White	No Contract
Mr Andrew Harrington	No Contract
Mr Phil Staveley (resigned on 20 April 2017)	No Contract

When a Board vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new director with particular skills, the full Board will recommend a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Remuneration and Nomination Committee

The Board has not established a formal Remuneration or Nomination Committee. The full Board attends to the matters normally attended to by Remuneration and a Nomination Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced directors and senior executives.

For full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period, please refer to the Remuneration Report which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to Non-Executive Directors other than superannuation as required by law.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves.

Audit and Risk Management Committee

The Board has not established an Audit and Risk Management Committee. The full Board attends to the matters normally attended to by such a Committee.

The Board acknowledges that when the size and nature of the Company warrants an Audit and Risk Management Committee that the Committee will operate under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of key performance indicators.

The Board will delegate responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee.

The Company's policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Board. The auditors have a policy of rotating the audit partner at least every 5 years.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

RISK MANAGEMENT

The Board recognises that the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholder value. The identification and management of risk by the Board will continue to be monitored. However, until such time as a business or project is acquired by the Company, specific risks related to that business or project is currently unknown.

The Company will undertake a comprehensive due diligence process, in consultation with its external legal and other advisors prior to making any acquisitions. The preparation of a comprehensive risk management matrix will be prepared once a suitable acquisition has been identified.

The equivalent of the CEO and CFO provide written assurance to the Board on an annual basis that to the best of their knowledge and belief, the declaration provided by them in accordance with Section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The assurances from the equivalent of the CEO and CFO can only be reasonable rather than absolute due to factors such as the need for judgement and possible weaknesses in control procedures.

Any material changes in the Company's circumstances are released to the ASX and included on the Company's website.

BEST PRACTICE RECOMMENDATION

Outlined below are the 8 Essential Corporate Governance Principles as outlined by the ASX and the Corporate Governance Council. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below:

Corporate Governance Policy	Action Taken and reasons if not adopted
Lay solid foundation for management and oversight	Adopted.
Principle 1: Recognise and publish the respective roles and responsibilities of the board and management	
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management	The Company's Corporate Governance Policies includes a Board Charter, which discloses the specific responsibilities of the Board.
1.2 Disclose the process for evaluating the performance of senior executives.	The Board monitors the performance of senior management including measuring actual performance against planned performance.
1.3 Provide the information indicated in 'Guide to reporting on Principle 1'.	The Company has provided details of any departures from Principle 1 in this Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

BEST PRACTICE RECOMMENDATION (CONT'D)

Corporate Governance Policy	Action Taken and reasons if not adopted
Structure the board to add value	Adopted except as follows:
Principle 2: Have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.	
2.4 The Board should establish a nomination committee.	The Company is not of a size to justify having a Nomination Committee. Matters typically dealt with by such a Committee are dealt with by the full Board.
2.5 Disclose the process for evaluating the performance of the Board, its committees and the individual directors.	The Board has adopted a policy to assist in evaluating board performance.
2.6 Provide the information indicated in 'Guide to Reporting on Principle 2'.	The specified information, including details of any departures from Principle 2 has been provided in this Annual Report.
Actively promote ethical and responsible decision-making	Adopted.
Principle 3: Promote ethical and responsible decision - making	
Establish a code of conduct to disclose the code or a summary of the code as to:	
3.1 The practices necessary to maintain confidence in the Company's integrity. The practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders. 3.2 The responsibility and accountability of individuals for reporting or investigating reports of unethical practices.	The Company's Corporate Governance Policies include a Directors' and Executive Officer's Code of Conduct Policy, which provides a framework for decisions and actions in relation to ethical conduct in employment.
3.3 Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits of, and arising from, employee and Board diversity and the importance of benefiting from all available talent. The diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity and annually assess both the objectives and the progress in achieving those objectives

CORPORATE GOVERNANCE STATEMENT (CONT'D)

BEST PRACTICE RECOMMENDATION (CONT'D)

Corporate Governance Policy	Action Taken and reasons if not adopted
Disclose in each annual report measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	The diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next five years as director and senior executive positions become vacant and appropriately qualified candidates become available:
Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Actual Number / % Women on the Board 0 0 Women in senior management roles 0 0
Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	The Company's Corporate Governance Policies includes Dealing in Securities Policy which provides comprehensive guidelines on trading in the Company's securities.
Provide the information indicated in 'Guide to Reporting on Principle 3'.	The Company has provided details of any departures from Principle 3 in this Annual Report.
Safeguard integrity in financial reporting	
Principle 4: Establish a structure to independently verify and safeguard integrity in financial reporting.	Adopted except as follows:
The Board should establish an audit committee.	The Company is not of a size to justify having a separate Audit and Risk Management Committee. However, matters typically dealt with by such a Committee are dealt with by the full Board.
Structure the audit committee so that it consists of: • Only non-executive directors • A majority of independence directors An independent chairperson who is not the chairperson on the Board	Not applicable

CORPORATE GOVERNANCE STATEMENT (CONT'D)

BEST PRACTICE RECOMMENDATION (CONT'D)

Corporate Governance Policy	Action Taken and reasons if not adopted
The audit committee should have a formal operating charter.	Not applicable
Provide the information indicated in the 'Guide to reporting on Principle 4'.	The Company has provided details of any departures from Principle 4 in this annual Report
Promote timely and balanced disclosure	Adopted.
Principle 5: Make timely and balance disclosure of all material matters concerning the Company.	
Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.	The Company has a Continuous Disclosure Policy which is designed to ensure compliance with the ASX Listing Rules requirements on disclosure and to ensure accountability at a Board level for compliance and factual presentation of the Company's financial position.
Respect the rights of shareholders	Adopted.
Principle 6: Respect the rights of shareholders and facilitate the effective exercise of those rights.	
Design and disclose a communications policy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of the policy.	The Company's Corporate Governance Policies includes a Shareholder Communications Policy which aims to ensure that the shareholders are informed of all material developments affecting the Company's state of affairs.
Provide the information indicated in the 'Guide to reporting on Principle 6'.	The Company has provided details of any departures from Principle 6 in its Annual Report
Recognise and manage risk	Adopted.
Principle 7: Establish a sound system of risk oversight and management and internal control.	

CORPORATE GOVERNANCE STATEMENT (CONT'D)

BEST PRACTICE RECOMMENDATION (CONT'D)

Corporate Governance Policy	Action Taken and reasons if not adopted
The Board or appropriate Board committee should establish policies on risk oversight and management of material business risk and disclose a summary of those policies.	The Company's Corporate Governance Policies includes a Risk Management Policy which aims to ensure that all material business risks are identified and mitigated. The Board identifies the Company's 'risk profile' and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal controls.
The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Board requires that the Managing Director designs and implements continuous risk management and internal control systems and provides reports at relevant times.
The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.	The Board seeks, at the appropriate times, these relevant assurances from the individuals appointed to perform the role of Managing Director and the Chief Operating Officer.
Provide the information indicated in the 'Guide to reporting on Principle 7'.	The Company has provided details of any departures from Principle 7 in this Annual Report.
Remuneration fairly and responsibly Principle 8: Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.	Adopted except as follows:
The Board should establish a Remuneration Committee.	The Company in not of a size to justify having a separate Remuneration Committee. However, matters typically dealt with by such a committee are dealt with by the full Board.
The Remuneration Committee should be structured so that it: consists of a majority of independent directors; is chaired by an independent director; and has at least three members.	Not applicable.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

BEST PRACTICE RECOMMENDATION (CONT'D)

Corporate Governance Policy	Action Taken and reasons if not adopted
Clearly distinguishes the structure of non-executive director's remuneration from that of executive directors and senior executives.	The Board distinguishes the structure of non-executive director's remuneration from that of executive Directors and senior executives. The Company's Constitution provides that the remuneration of non-executive directors will be not more than the aggregated fixed sum by a general meeting of shareholders.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Revenue			
Other income	2(b)	-	1,239
Expenses			
Administration expenses		(273,287)	(186,238)
Relinquishment of tenements		(2,979,855)	(372,829)
Impairment of capitalised exploration costs		(4,515,388)	-
Impairment of investment		(300,000)	-
Interest expenses		(5)	(1,573)
Total expenses		**(8,068,535)**	**(560,640)**
Loss before income tax		**(8,068,535)**	**(559,401)**
Income tax expense	3	-	-
Loss after income tax for the year		**(8,068,535)**	**(559,401)**
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		**(8,068,535)**	**(559,401)**
Comprehensive income attributable to the members of the Parent Entity		**(8,068,535)**	**(559,401)**
Loss per share from continuing operations	11	(13.26) cents	(1.03) cents
Diluted loss per share from continuing operations	11	(13.26) cents	(1.03) cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	4	2,675	70,002
Trade and other receivables	5	3,884	3,844
Prepayment		7,721	-
TOTAL CURRENT ASSETS		**14,280**	**73,846**
NON CURRENT ASSETS			
Exploration & evaluation costs	6	**-**	7,400,844
TOTAL ASSETS		**14,280**	**7,474,690**
CURRENT LIABILITIES			
Trade and other payables	7	99,635	33,440
Payable to related entity	8	125,930	-
TOTAL LIABILITIES		**225,565**	**33,440**
NET (DEFICIENCY) / ASSETS		**(211,285)**	**7, 441,250**
EQUITY			
Contributed equity	9	5,025,596	4,609,596
(Accumulated losses) / retained earnings		(5,236,881)	2,831,654
TOTAL (DEFICIENCY) / EQUITY		**(211,285)**	**7,441,250**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Equity $	Accumulated Losses / Retained Earnings $	Total $
Balance at 1 July 2016	**4,609,596**	**3,391,055**	**8,000,651**
Loss attributable to members	**-**	(559,401)	**(559,401)**
Balance at 30 June 2017	**4,609,596**	**2,831,654**	**7,441,250**
Balance at 1 July 2017	**4,609,596**	**2,831,654**	**7,441,250**
Issue of shares – AMS Investment	300,000	**-**	**300,000**
Issue of shares – Share placement	116,000	**-**	**116,000**
Loss attributable to members	**-**	(8,068,535)	**(8,068,535)**
Balance at 30 June 2018	**5,025,596**	**(5,236,881)**	**(211,285)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(230,053)	(181,965)
Interest received		-	1,239
Interest paid		(5)	(1,573)
Net cash used in operating activities	**12(b)**	**(230,058)**	**(182,299)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration and evaluation costs		(49,199)	(126,179)
Receipt of research and development grants		-	246,927
Net cash from/(used in) investing activities		**(49,199)**	**120,748**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		116,000	-
Proceeds from borrowing from related entities		95,930	-
Net cash provided by financing activities		**211,930**	**-**
Net decrease in cash and cash equivalents		(67,327)	(61,551)
Cash and cash equivalents at beginning of year		70,002	131,553
Cash and cash equivalents at end of year	**4**	**2,675**	**70,002**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

INTRODUCTION

The financial report covers Oakdale Resources Limited, the Company is a listed public company incorporated and domiciled in Australia.

The principal activities of the consolidated entity during the financial year were the exploration and development of economic mineral deposits.

The Consolidated entity is a for-profit entity.

Authorisation of financial report

The financial report was authorised for issue by the directors on 28 September 2018. This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the *Corporations Act 2001*. This financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Basis of accounting
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below in note 1(u).

New, revised or amending Accounting Standards and Interpretations adopted
The Consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated entity.

b. Going concern

The Consolidated entity incurred an operating loss of $8,068,535 (2017: loss of $559,401) and had cash outflows from operating and investing activities of $279,257 (2017: $61,551) for the year ended 30 June 2018. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Going concern (cont'd)

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

- The Consolidated entity has cash reserves at 30 June 2018 of $2,675
- The Consolidated entity has completed a large proportion of its exploration activities required for its graphite project
- The Consolidated entity also continues to examine and review the Consolidated entity's cost structure with the ability to minimise discretionary expense
- The Consolidated entity is reviewing a number of alternative project and funding options which include, issuance of equity via Oakdale Resources securities, or debt funding, to support project funding needs
- Mr John Lynch, (managing director of the Company) has committed to provide additional financial support of up to $160,000 as an unsecured interest free loan to the Company over the next 12 months from the date of this report. He has advised the Company that he may also be prepared to provide further ongoing funding if required in the future.

Based on the above and cash flow forecasts prepared, the directors are of the opinion that the Consolidated entity 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 Consolidated entity 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 Consolidated entity not continue as a going concern.

c. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Oakdale Resources limited and Lymex Tenements Pty Ltd as at 30 June 2018 and are together referred to in these financial statements as the 'consolidated entity'.

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 was considered the accounting acquirer on the basis that Lymex was 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.

Subsidiaries are all those entities over which the Consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Principles of Consolidation (cont'd)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d. Segment reporting

Oakdale Resources Limited operates in the mineral exploration and mining industry in Australia. The Consolidated entity has adopted AASB 8 *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.

e. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from the rendering of other services is recognised upon the delivery of the service to the customers.

Dividend revenue is recognised when the right to receive a dividend has been established.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax.

f. Taxation

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Taxation (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to Profit or Loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g. Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Profit or Loss on a straight-line basis over the period of the lease.

h. Impairment of assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Profit or Loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Exploration Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

j. Government Grants

Government grants relating to assets such as capitalised exploration expenditure are recognised in the Consolidated Statement of Financial Position by deducting the grant in arriving at the carrying amount of the asset. Government grants relating to expenses are recognised as other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

l. Trade receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

m. Financial assets and liabilities

Recognition

Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Consolidated entity becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged or cancelled or expires.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o. Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o. Employee benefits (cont'd)

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

p. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Consolidated entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

q. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Consolidated entity, on or before the end of the financial year but not distributed at balance date.

r. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

t. Contingent liabilities

A contingent loss is recognised as an expense and a liability if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability incurred and, a reasonable estimate of the amount of the resulting loss can be made.

u. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written-off in the period in which this determination is made.

v. Accounting standards issued but not yet effective at 30 June 2018

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Consolidated entity. The Consolidated entity has decided not to early adopt any of these new and amended pronouncements. The Consolidated entity's assessment of the new and amended pronouncements that are relevant to the Consolidated entity but applicable in future reporting periods is set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

v. Accounting standards issued but not yet effective at 30 June 2018 (cont'd)

AASB 15: Revenue from Contracts with Customers,

AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15,
AASB 2016-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15 and

AASB 2018-3: Amendments to Australian Accounting Standards – Clarifications to AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled.

To give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

- identify the contract(s) with a customer;
- identify the performance obligations under the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations under the contract(s); and
- recognise revenue when (or as) the entity satisfies the performance obligations.

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 is not expected to be significant.

AASB 9: Financial Instruments

AASB 9: Financial Instruments (December 2014), AASB 2014-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), AASB 2014-8: Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9

(December 2009) and AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the Consolidated entity on initial application of AASB 9 and associated amending Standards include:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

v. Accounting standards issued but not yet effective at 30 June 2018 (cont'd)

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost to be based on an expected loss approach.

These amendments do not have any significant impact on the Group.

AASB 16: Leases

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019). AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
- investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
- property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.

Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

The directors anticipate that the adoption of AASB 16 will not have any significant impact on the Group's accounting as the Consolidated entity does not have any operation lease contracts.

The effective date is annual reporting periods beginning on or after 1 January 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. REVENUE

	2018 $	2017 $
(a) Revenue from services or sale of goods	**-**	**-**
(b) Other revenue:		
Interest revenue from other persons	-	1,239
	-	**1,239**

3. TAXATION

	2018 $	2017 $
The components of income tax expense are:		
Current tax	-	-
Deferred tax charge	-	-
Income tax expense reported in Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-
Prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax	(8,068,535)	(559,401)
Income tax expense at 30% (2017: 30%)	(2,420,561)	(167,820)
Tax effect of:		
Relinquishment of tenements	893,957	-
Provision for impairment of capitalised exploration costs	1,354,616	-
Impairment of investment	90,000	-
Income tax benefit not brought to account on losses in the year	81,988	167,820
Tax benefit in relation to prior year losses taken up	-	-
Income tax expense	-	-

The following deferred tax assets have not been recognised as recovery is not considered probable:

	2018 $	2017 $
Attributable to tax losses	2,392,458	2,073,921
	2,392,458	2,073,921

4. CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank	2,675	70,002
	2,675	**70,002**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5. TRADE AND OTHER RECEIVABLES

	2018	2017
	$	$
Current - GST refund due	3,884	3,844
	3,884	**3,844**

6. EXPLORATION & EVALUATION COSTS

NON CURRENT		
Exploration Expenditure		
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases	-	7,400,844
	-	**7,400,844**
Opening balance	**7,400,844**	**7,894,421**
Additional expenditure	94,399	126,179
Relinquishment of tenements	(2,979,855)	(372,829)
Provision for impairment	(4,515,388)	-
Receipt of research and development grants	-	(246,927)
Closing balance	**-**	**7,400,844**

A provision of $4,515,388 for an impairment of Exploration and Evaluation expenditure has been recognised in relation to the Company's Oakdale Graphite Project on the Eyre Peninsula in South Australia. During the financial year ended 30 June 2018, the company has been considering its funding requirements in light of cash flow constraints, and has been exploring various options for its graphite projects.

In May 2018, the company agreed a revision with the South Australian Government of the terms of the Amalgamated Expenditure Agreement for the Central Eyre Peninsula Projects and South Australian Government to extend the company's interest at reduced minimum exploration expenditure for the period ending 31 December 2019. The extension will allow the company to source new funding for the project, or explore offtake or other strategic agreements for the asset.

While the Company considers its options and manages it cash flow requirements, substantive expenditure on further exploration activities in the specific area is neither budgeted nor planned. This has triggered an impairment indicator under AASB 6: *Exploration for and Evaluation of Mineral Resources*, and accordingly an impairment expense is recognised profit or loss.

The Board remain committed to the project, and will continue to work towards development of the Graphite assets when cash flow allows.

7. TRADE AND OTHER PAYABLES

Current - Trade and other payables (i)	99,635	33,440
	99,635	**33,440**

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8. PAYABLE TO RELATED ENTITY

	2018	2017
	$	$
Current – unsecured loan from (i)	95,930	-
Current – unsecured loan from (ii)	30,000	-
	125,930	**-**

(i) John Lynch, director of the Oakdale Resources Ltd provided unsecured interest free loan to the Company, during the financial year ended 30 June 2018.

(ii) Bourse Securities Pty Ltd, a related entity of John Lynch provided services for exploration activities during the financial year ended 30 June 2018 this cost was accrued as at 30 June 2018.

9. CONTRIBUTED EQUITY

	$	Number
(a) Fully paid ordinary shares	**5,025,596**	**64,837,685**
(b) Movement in value of issued shares		
Balance as at 1 July 2016	**4,609,596**	**54,437,685**
Movement during the year	-	-
Balance as at 30 June 2017	**4,609,596**	**54,437,685**
Issue of shares– Africa Mineral Sands	300,000	7,500,000
Issue of shares– Share placement	116,000	2,900,000
Balance as at 30 June 2018	**5,025,596**	**64,837,685**

Lymex Tenements Pty Ltd was deemed to be the accounting acquirer under AASB 3 Business Combinations. As such in disclosing the movements in contributed equity, the dollar value is represented by the accounting acquirer Lymex Tenements Pty Ltd and the number of shares is that of the legal acquirer Oakdale Resources Limited.

Issue of shares to Africa Mineral Sands
On 29 November 2017 the Company issued 7,500,000 shares to nominees of Africa Mineral Sands Pte. Ltd (AMS), to acquire a 1% equity interest in AMS and an option to acquire up to a 51% equity interest in AMS. The Company terminated the agreement to acquire the equity interest in AMS on 10 August 2018.

To give effect to the termination, Madachi Holdings Pty Ltd (AMS's nominee) has now entered into a buy back agreement with Oakdale whereby it has agreed to sell back the Shares to Oakdale for nil consideration.

The buy-back is subject to shareholder approval and once bought back, the Shares will be cancelled. A special resolution for the buyback will be put to shareholders at Oakdale's next shareholders' meeting, due to be held in November 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

9. CONTRIBUTED EQUITY

Share placement
On 29 November 2017, the Company issued 2,900,000 shares to sophisticated investors at 4 cents each to raise $110,000 for working capital.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of, and amounts paid on, the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Consolidated entity's objective when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Consolidated entity may reduce debts, adjust the amount of dividends paid to shareholders and return capital to shareholders or issue new shares.

The Consolidated entity would look to raise capital when an opportunity to invest in a business or consolidated entity was seen as value adding relative to the current Consolidated entity's share price at the time of the investment. The Consolidated entity is not actively pursuing additional investments in the short term as it continues to grow its existing business.

10. DIVIDENDS

There were no dividends proposed or paid by the Consolidated entity during the financial year or in the previous financial year.

11. EARNINGS PER SHARE

The following securities have been classified as ordinary shares and included in basic earnings per share:

	2018	**2017**
	$	**$**
Net loss used in calculating earnings per share	(8,068,535)	(559,401)
	Number	Number
Weighted average number of shares for basic and diluted loss per share	60,837,685	54,437,685
Loss per share	(13.26) cents	(1.03) cents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

12. NOTES TO THE STATEMENT OF CASH FLOWS

a) For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank on short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2018 $	2017 $
Cash and cash equivalents (Note 4)	2,675	70,002

b) Reconciliation of cash flow from operations with operating loss after income tax:

Loss after income tax	(8,068,535)	(559,401)
Non-cash items		
Cost of relinquished tenements	2,979,855	372,829
Provision for impairment	4,515,388	-
Investment write-off	300,000	-
Changes in asset and liabilities:		
(Increase) / decrease in receivables	(40)	1,310
(Increase) / decrease in prepayment	(7,721)	-
Increase / (decrease) in trade and other payables	50,995	2,963
Cash outflow from operations	(230,058)	(182,299)

13. KEY MANAGEMENT PERSONNEL DISCLOSURE

Compensation

No remuneration was paid to Key Management Personnel during the financial year ended 30 June 2018 and during the financial year ended 30 June 2017.

No options were held by Key Management Personnel at 30 June 2018.

14. AUDITOR'S REMUNERATION

	2018 $	2017 $
Audit and review of the financial reports	45,000	41,000
Tax and compliance services	3,000	11,250
	48,000	52,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

15. FINANCIAL RISK MANAGEMENT

The Consolidated entity's principal financial instruments comprise receivables, payables, cash and short-term deposits and borrowing. These activities expose the Consolidated entity to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The directors manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate and foreign exchange risk and by being aware of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

The Consolidated entity holds the following financial instruments:

	2018 $	2017 $
Financial assets		
Cash and cash equivalents	2,675	70,002
Trade and other receivables	3,884	3,844
Prepayment	7,721	-
Total financial assets	14,280	73,846
Trade and other payables	99,635	33,440
Payable to related entity	125,930	-
Total financial liabilities	225,565	33,440

The fair value of financial assets and liabilities at balance date approximates their carrying amount.

Market risk

Foreign exchange risk

The Consolidated entity does not have any direct material foreign exchange risk as commercial transactions and recognised financial assets and liabilities are all in Australian currency.

Price risk

The Consolidated entity does not have any direct material market or commodity price risk relating to its financial assets or liabilities.

Interest rate risk

The Consolidated entity is not exposed to any material interest rate risks.

15. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk

Credit risk arises from cash and cash equivalents and trade and other receivables. The credit risk on financial assets which have been recognised on the Consolidated Statement of Financial Position is generally the carrying amount, net of any provisions. The Consolidated entity has policies in place for deposit transactions for such transactions to be conducted with financial institutions with a minimum credit rating.

The Consolidated entity does not have any significant concentrations of credit risk that arise from exposures to a single debtor or to a group of debtors having a similar characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Consolidated entity's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Consolidated entity monitors its cash requirements on a continual basis.

Sensitivity Analysis

The Consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis concluded there would be no impact on fair values of financial assets and liabilities.

Maturities of financial liabilities

The tables below analyse the Consolidated entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated	**Total Contractual Cash flows**	**Less than 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**
	$	**$**	**$**	**$**	**$**
2018					
Trade and other payables	225,565	225,565	-	-	-
2017					
Trade and other payables	33,440	33,440	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

16. PARENT ENTITY DISCLOSURE

The following information has been extracted from the books and records of the parent entity Oakdale Resources Limited (legal acquirer) and has been prepared in accordance with the Australian Accounting Standards

	2018 $	2017 $
Statement of Financial Position		
a. Current assets	13,016	71,412
b. Non current assets	2,950,151	9,000,000
c. Total assets	2,963,167	9,071,412
d. Total liabilities	3,174,452	1,630,162
e. Shareholders' equity		
i) Issued capital	36,419,540	36,003,540
ii) Accumulated losses	(36,630,825)	(27,786,690)
Statement of Profit or Loss and Comprehensive Income		
f. Net loss	(8,844,135)	(185,549)
g. Total comprehensive income	(8,844,135)	(185,549)

17. COMMITMENTS FOR EXPENDITURE

Consolidated entity is committed to capital expenditure on its mining tenements as follows

Payable:		
Not later than one year	40,000	40,320
Later than one year but not later than two years	40,000	12,660
Later than two years but not later than five years	-	-
	80,000	**52,980**

18. CONTINGENT LIABILITES AND COMMITMENTS

At balance date the Consolidated entity has no contingent liabilities or commitments.

19. EVENTS SUBSEQUENT TO REPORTING DATE

On 10 August 2018, the Company exited from the African Mineral Sands Projects (AMS). The value of the initial investment in AMS was written-off as at 30 June 2018 and the Company does not expect any further costs on exit from the AMS project.

Apart from above, Directors are not aware of any matters or circumstances not otherwise dealt with in this report that has significantly, or may significantly affect, the operations or the state of affairs of the Consolidated entity in future financial periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

20. SIGNIFICANT CHANGES COMPARED TO PRELIMINARY FINAL REPORT

Post release of the preliminary final report the Company recorded an impairment of $4,515,388 in relation to the Company's Oakdale Graphite Project on the Eyre Peninsula in South Australia.

While the Company considers its options and manages its cash flow requirements, substantive expenditure on further exploration activities in the specific area is neither budgeted nor planned. This has triggered an impairment indicator under AASB 6: *Exploration for and Evaluation of Mineral Resources*, and accordingly an impairment expense is recognised profit or loss.

Changes in the Consolidated Statement of Profit and Loss & Comprehensive Income for the year ended on 30 June 2018 and the Consolidated Financial Position as at 30 June 2018, as reported in the Preliminary final report and the final annual report are as follows;

Changes in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Preliminary Report 2018	Change	Annual Report 2018
	$	$	$
Loss after income tax for the year	(3,553,147)	-	(3,553,147)
Impairment of capitalised exploration costs	-	(4,515,388)	(4,515,388)
Loss after income tax for the year	**(3,553,147)**	**(4,515,388)**	**(8,068,535)**

Changes in the Consolidated Statement of Financial Position as at 30 June 2018

Net Assets	4,304,103	-	4,304,103
Impairments of capitalised exploration costs	-	(4,515,388)	(4,515,388)
Net (Deficiency) / Assets	**4,304,103**	**(4,515,388)**	**(211,285)**
Total Equity	5,025,596	-	5,025,596
Retained Earnings / (Accumulated Losses)	(721,493)	(4,515,388)	(5,236,881)
Total (Deficiency) / Equity	**4,304,103**	**(4,515,388)**	**(211,285)**

There is no change in the Consolidated Statement of Cash Flows for the year ended 30 June 2018.

DIRECTORS' DECLARATION

The directors of Oakdale Resources Limited declare that:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1(a) to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the Consolidated entity 's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable;

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the *Corporations Act 2001*.

J. E. Lynch

John E Lynch
Director

Melbourne, 28 September 2018

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

As lead auditor of Oakdale Resources Limited for the year ended 30 June 2018, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 28 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Oakdale Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oakdale Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 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 group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Exploration and evaluation expenditures

Key audit matter	*How the matter was addressed in our audit*
Capitalised exploration and evaluation costs are considered a key audit matter because the impairment assessment involves significant estimates and judgements relating to the company's capacity to fund substantive expenditure on future exploration activities in the specific areas of interest. Note 1 to the financial statements contains the accounting policy and note 6 disclosures in relation to exploration and evaluation expenditures.	Our procedures included: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure • Confirming whether the rights to tenure of the areas of interest remained current at the reporting date as well as confirming that rights to tenure are expected to be renewed • Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring that management have considered the effect of impairment indicators, commodity prices and the status of the Group's project • Reviewing budgets and challenging assumptions made by the entity to agree that substantive expenditure on further exploration for and evaluation of the mineral resources in the areas of interest was not planned • Reviewing ASX announcements and minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 12 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Oakdale Resources Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

James Mooney
Partner

Melbourne, 28 September 2018

SHAREHOLDER ANALYSIS AND OTHER STOCK EXCHANGE REQUIREMENTS

Statement of security holders as at 26 September 2018

Distribution of shareholders by sizes of holdings

1 - 1,000	897
1,001 - 5,000	74
5,001 - 10,000	45
10,001 - 100,000	100
100,001 and over	43
Total	1,159

Holding less than a marketable parcel 1,054

Voting rights – Each ordinary share carries one vote.

Twenty Largest Shareholders

Shareholder	Number	Percentage
Matamin Pty Limited	25,302,228	39.02
Hackett CP Nominees Pty Ltd <The Hackett Family A/C>	7,500,000	11.57
HSBC Custody Nominees (Australia) Limited	3,502,397	5.40
Willaton Properties Pty Ltd	2,500,000	3.86
Northstar Capital Pty Ltd	2,277,198	3.51
One Managed Inv Funds Ltd	1,975,000	3.05
Bourse Securities Pty Ltd	1,010,000	1.56
One Managed Inv Funds Ltd <TI Fam Wealth A/c>	825,000	1.27
Boom Capital Pty Ltd	600,000	0.93
Mr Gerard James Masters + Mrs Sharyn Maters	527,129	0.81
Mr Gokhan Omer Anayurt	500,000	0.77
Mr Peter Michale Mallach + Mrs Lynette Jocelyn Mallach	500,000	0.77
Rosenfels Family Super Fund Pty Ltd	500,000	0.77
Samll Entrprises (Aust) Pty Ltd	421,704	0.65
B2B Holdings Pty Limited	414,095	0.64
Navigator Aust Ltd <MLC Inv Sett A/C>	404,533	0.62
Hackett CP Nominees Pty Ltd	250,000	0.39
Melbourne Trading Company Pty Ltd	250,000	0.39
Canary Pty Ltd	210,852	0.33
Mrs Clorinda Mary Boekhorst	204,000	0.31
	49,674,136	76.61

Substantial shareholders as per substantial shareholder advices held at 26 September 2018

Name	Number of Ordinary Shares to which Person Entitled
Matamin Pty Limited	25,302,228
Hackett CP Nominees Pty Ltd <The Hackett Family A/C>	7,500,000

Unquoted equity securities

None