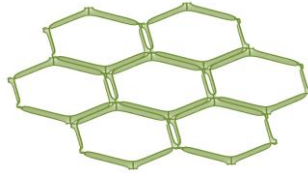


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17 November 2018

ASX ANNOUNCEMENT

UPDATE ON PROPOSAL TO ACQUIRE GOLD PRODUCING ASSETS IN PERU AND SHARE PLACEMENT

Oakdale Resources Limited ("ASX:OAR") ("Oakdale" or "Company") refers to its ASX announcement dated 12 November 2018 which announced that Oakdale had entered into a Term Sheet dated 12 November 2018 with Ozinca Australia Pty Ltd ("Ozinca") to acquire from Ozinca an option for the acquisition of 100% of the issued shares of Ozinca ("Acquisition").

Ozinca is a private Australian company which through its 100% wholly owned Peru subsidiary Ozinca Peru SAC has entered into a written contract to acquire an existing gold processing plant known as the Chimu Gold plant strategically located in southern Peru.

The key features of the Binding Terms Sheet are as follows:

1. The consideration payable by Oakdale to acquire 100% of the shares in Ozinca is 100 million fully paid shares in Oakdale which will rank equally with all shares in Oakdale, to be issued to Ozinca or the shareholders of Ozinca;
2. The Acquisition is subject to the completion of due diligence by Oakdale on Ozinca, Ozinca's 100% interest in Ozinca Peru SAC and the gold plant to the satisfaction of Oakdale and approval by the Board of Oakdale within a period of 28 days from the date of execution of the Terms Sheet ("**Due Diligence Period**");
3. The transfer to the benefit of Oakdale of all regulatory approvals, licences, agreements and plans to properly effect the Acquisition;
4. Oakdale receiving indicative approval from ASX to the Acquisition;
5. Ozinca assisting with and facilitating a capital raising for Oakdale of at least \$500,000 by way of a placement of Oakdale shares at a price per share mutually agreed upon which placement proceeds, or part thereof, will be loaned by Oakdale to Ozinca on commercial terms;
6. Oakdale appointing to its Board 2 non-executive directors nominated by Ozinca to replace 2 existing directors of Oakdale who shall resign;
7. Ozinca making a payment of US\$275,000 by 5 December 2018 to Chimu being the second tranche pursuant to the Contract of Assets Transfer (see announcement made on 12 November 2018). The source of funds to make this payment shall partially be from the loan referred to in paragraph 5 above.

8. The Acquisition is subject to shareholder approval by the shareholders of Oakdale;

On 14 November 2018 the Company requested and was granted by ASX a trading halt of its securities pending the release of an announcement.

Based on its maximum current placement capacity of 13,400,000 shares the Company is pleased to advise it has received commitments from sophisticated investors to raise \$268,000 at an issue price of A\$0.02 per share ("**Placement**") which is a 30% premium to the last quoted share price of Oakdale utilizing its placement capacity available to the Company under ASX Listing Rules 7.1 and 7.1A. Funds raised from the Placement will be loaned to Ozinca and used towards the payment of the second tranche of US\$275,000 pursuant to the Contract of Assets Transfer referred to in paragraph 7.

The placement capacity of the Company will be refreshed at its scheduled AGM on 28 November 2018 allowing the placement of at least a further 14,300,000 shares.

The Company is also pleased to announce that prior to it entering into the Terms Sheet it engaged with the ASX regarding the then proposed Acquisition and based on the information provided ASX has confirmed by email letter dated 12 November 2018 that Listing Rules 11.1.1, 11.1.2 and 11.1.3 of Chapter 11 (Significant transactions) do not apply to the Acquisition. The significance of this confirmation from ASX is that Oakdale will not need to take steps to re-comply with the admission requirements under Listing Rule 11.1.3.

Even though the Company was given an exemption by the ASX from Listing Rule 11.1.1 which imposes an obligation on a listed company to require shareholder approval for a proposed transaction, it is a condition of the Terms Sheet that the Acquisition is subject to shareholder approval. Consequently, Oakdale will be convening a shareholders meeting to seek approval of the Acquisition which is expected to take place on or about 16 January 2019. A notice of meeting is expected to be sent out to shareholders in early December 2018 together with an Independent Experts Report ("**IER**").

Oakdale will provide further updated information to shareholders on the completion of the due diligence, the indicative timetable in relation to the shareholders meeting to approve the Acquisition, the obtaining of the IER and any relevant matters relating to the Acquisition generally.

For further information please contact John Lynch on (07) 3624 8188.

Yours faithfully,

OAKDALE RESOURCES LIMITED



Director