

Appendix 4D - Half Year Report for six months ended 31 December 2018**Results for announcement to the market**

Name of entity	OAKDALE RESOURCES LIMITED
ABN	27 009 118 861

1 Reporting Period

Half Year Ended	31 December 2018
Previous Corresponding period – half year ended	31 December 2017

2 Results for announcement to the market

Revenue from ordinary activities	Up	-	to	-
Loss from ordinary activities after tax attributable to members	Down	14%	to	(286,156)
Net loss for the period attributable to members	Down	14%	to	(286,156)

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

No interim dividend has been declared for the half-year ended 31 December 2018.

Commentary on Result

The net loss of the Group for the first half year after providing for income tax amounted to \$286,156 (2017: \$332,544).

Oakdale Resources Limited has advanced \$US112,000 (\$156,819) to Ozinca Peru SAC to secure the option to acquire 100% of the Chimu Gold plant in Southern Peru. The lending terms of the advance require repayment by Ozinca Peru SAC on 19 December 2020 and are interest bearing (at an interest rate of 6% per annum).

Recovery of the loan is contingent on shareholder approval to issue 100 million fully paid ordinary shares to acquire Ozinca Australia Pty Ltd at a general meeting of shareholders on 6 March 2019. Accordingly, a provision for impairment has been recognised at the date of this report.

In the event that shareholder approval is obtained, Oakdale Resources Limited will be the ultimate parent entity of Ozinca Peru SAC, and the impairment provision will be reviewed and potentially reversed.

The Board is pleased to report that the Group completed metallurgical test work and scoping study for Oakdale Project and currently working on exploring Graphite off-take contracts.

Refer to interim Financial Report for the Half-Year ended 31 December 2018 for more information.

This half yearly financial report is to be read in conjunction with the 2018 annual financial report.

3 Net tangible assets per security

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	(0.52) cents	0.50 cents

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

Control gained over entities

Name of entities (item 4.1)

- Not Applicable -

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

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

\$

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

\$

Loss of control of entities

Name of entities (item 4.1)

- Not Applicable -

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

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

\$

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

\$

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2018		Nil
Final dividend year ended 30 June 2018		Nil

Amount per security

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

Total dividend on all securities

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

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

- Not Applicable -

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

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

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

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

Group's share of associates' and joint venture entities':	2018 \$	2017 \$
Profit (loss) from ordinary activities before tax		
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax		
Adjustments		
Share of net profit (loss) of associates and joint venture entities		

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

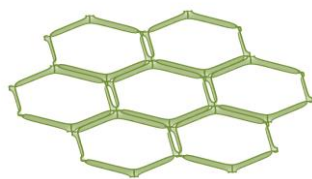
9. Independent review of the financial report (item 9)

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

OAKDALE RESOURCES LIMITED

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Interim Financial Report for the half-year ended 31 December 2018

The half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2018.

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DIRECTORS' REPORT

Your directors present their report on Oakdale Resources Limited ("the Company") for the half-year ended 31 December 2018.

Directors

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

John E Lynch

Graham White

Andrew Harrington

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

Operating Result

The net loss of the Group for the first half year after providing for income tax amounted to \$286,156 (2017: \$332,544).

Review of Operations

The Board is pleased to report that Oakdale Resources Limited continued to explore various commercial development options during the last six months based on the completed Scoping Study. The Scoping Study had identified graphite mineralisation and highlighted the positive economics of the Oakdale Graphite Project.

The Company has completed its due diligence of Ozinca Australia Pty Ltd (Ozinca) and on 11 January 2019 executed the formal Acquisition Agreement with Ozinca to acquire 100% of the issued shares in Ozinca subject to shareholder's approval. The execution of the Acquisition Agreement was pursuant to the terms of the Binding Terms Sheet announced to the ASX on 15 January 2019.

Ozinca is a private Australian company which, through its 100% wholly owned Peruvian 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.

Subject to shareholders' approval, the Company will issue 100 million fully paid ordinary shares to shareholders of Ozinca Australia Pty Ltd as consideration to acquire a 100% of the shares in Ozinca. The Company will hold a General Meeting of Shareholder on 6 March 2019 to seek shareholder approval for the Company's acquisition of Ozinca.

On 25 February 2019, the Company issued 1,750,000 fully paid ordinary shares to group of investors who applied and paid \$35,000 for the shares in December 2018.

Mineral Resources

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

A review of the Malache base metal prospect is in progress. Previous drilling at Malache intersected structurally controlled, iron free zinc and lead mineralisation over a two kilometre zone. The zinc/lead mineralisation contains associated copper, lead, indium, gallium and germanium.

The acquisition of Ozinca will assist in the exploration and evaluation of Oakdale's base metal and gold prospects identified in its Eyre Peninsula tenements, including the Malache zinc, copper, lead prospect which hosts high concentrations of indium, germanium, gallium and molybdenum.

The Company is continuing to explore off-take and other strategic agreements for its Oakdale Graphite Project and, as previously announced, Mineral Resource calculations have been completed for the Oakdale Project and the Oakdale East prospect contains 6.3 million tonnes at a grade of 6.3% TGC. The metallurgical test work carried out to date has indicated that a +90% graphite float concentrate could be achieved with 84% recovery of the contained graphite.

Auditor's independence declaration

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

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



John Lynch
Director

27 February 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2018**

		Half- year	
	Note	December 2018	December 2017
		\$	\$
Other revenue		-	-
Expenses			
ASX and share registry fees		(23,895)	(25,625)
Professional fees		(46,587)	(70,233)
Administration expense		(41,688)	(49,082)
Tenement costs		(17,167)	-
Loan impairment provision		(156,819)	-
Impairment of tenement costs		-	(187,604)
Total expenses		(286,156)	(332,544)
Loss before income tax expense		(286,156)	(332,544)
Income tax expense		-	-
Loss after income tax for the half year		(286,156)	(332,544)
Other comprehensive income for half-year		-	-
Total comprehensive income for half-year		(286,156)	(332,544)
Total comprehensive income attributable to members		(286,156)	(332,544)
Earnings per share for loss attributable to equity holders of the parent entity:			
Basic earnings / (loss) per share (cents per share)	6	(0.45)	(0.59)
Diluted earnings / (loss) per share (cents per share)	6	(0.45)	(0.59)

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

Consolidated Statement of Financial Position as at 31 December 2018

	Note	December 2018 \$	June 2018 \$
Current Assets			
Cash and cash equivalents		33,391	2,675
Other receivables	2	4,821	3,884
Prepayment		-	7,721
Total Assets		38,212	14,280
Liabilities			
Trade and other payables		93,312	99,635
Payable to related entity	3	247,341	125,930
Other payable		35,000	-
Total Liabilities		375,653	225,565
Net deficit		(337,441)	(211,285)
Equity			
Issued capital	5	5,185,596	5,025,596
Accumulated losses		(5,523,037)	(5,236,881)
Total equity		(337,441)	(211,285)

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

**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2018**
**Half-year ended 31 December
2017**

	Contributed equity	Accumulated losses	Total equity
	\$	\$	\$
At 1 July 2017	4,609,596	2,831,654	7,441,250
Loss attributable to members	-	(332,544)	(332,544)
Issue of Share – AMS Investment	300,000	-	300,000
Issue of Share – Share Placement	116,000	-	116,000
At 31 December 2017	5,025,596	2,499,110	7,524,706

**Half-year ended 31 December
2018**

	Contributed equity	Accumulated losses	Total equity
	\$	\$	\$
At 1 July 2018	5,025,596	(5,236,881)	(211,285)
Loss attributable to members	-	(286,156)	(286,156)
Issue of Share – Share Placement	160,000	-	160,000
At 31 December 2018	5,185,596	(5,523,037)	(337,441)

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

**Consolidated Statement of Cash Flows
for the half-year ended 31 December 2018**

		Half-year	
	Note	December 2018	December 2017
		\$	\$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(128,876)	(144,523)
Net cash flows used in operating activities		(128,876)	(144,523)
Cash flows from investing activities			
Payment for exploration expenses		-	(28,977)
Loan to Ozinca Peru		(156,819)	-
Net cash used in investing activities		(156,819)	(28,977)
Cash flows from financing activities			
Proceeds from issue of shares		160,000	110,000
Share application funds received		35,000	-
Proceeds from borrowing		121,411	-
Cash flows from financing activities		316,411	110,000
Net increase / (decrease) in cash and cash equivalents		30,716	(63,500)
Cash and cash equivalents at beginning of the half year		2,675	70,003
Cash and cash equivalents at end of the half year		33,391	6,503

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

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

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

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Oakdale Resources Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

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

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

(a) Basis of accounting

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

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

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2018 and the corresponding half-year.

(b) Going Concern

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

For the half year ended 31 December 2018, the Group reported a loss of \$286,156 (2017: loss of \$332,544) and cash out flows from operating and investing activities of \$285,694 (2017: \$173,500). The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds.

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

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

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

- The Group had cash reserves at 31 December 2018 of \$33,391.
- The Group has completed a large proportion of its exploration activities required for its graphite project.
- The Group also continues to rigorously examine and review the Group's cost structure.
- The Company is holding a General Meeting of Shareholders and seeking shareholder's approval to raise funds by issuing 100 million OAR securities to support project funding needs.
- The Company plan to raise \$700,000 by issuing unlisted convertible notes, subject to Shareholders approve and pass all of the Resolutions as listed in the Notice of General Meeting of the Company to be held on 6 March 2019.

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

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

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

(c) Comparatives

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

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

	December 2018 \$	June 2018 \$
Current		
GST refund due	4,821	3,884
Loan to Ozinca Peru SAC (a)	156,819	-
Provision for impairment of loan (a)	(156,819)	-
	<u>4,821</u>	<u>3,884</u>

- (a) Ozinca Peru SAC is a wholly owned controlled entity of Ozinca Australia Pty Ltd. Oakdale Resources Limited has advanced \$US112,000 (\$156,819) to Ozinca Peru SAC to secure the option to acquire 100% of the Chimu Gold plant in Southern Peru. The lending terms of the advance require repayment by Ozinca Peru SAC on 19 December 2020 and are interest bearing (at an interest rate of 6% per annum).

Recovery of the loan is contingent on shareholder approval to issue 100 million fully paid ordinary shares to acquire Ozinca Australia Pty Ltd at a general meeting of shareholders on 6 March 2019. Accordingly, a provision for impairment has been recognised at the date of this report.

In the event that shareholder approval is obtained, Oakdale Resources Limited will be the ultimate parent entity of Ozinca Peru SAC, and the impairment provision will be reviewed and potentially reversed.

Note 3: Payable to Related Party

Current – unsecured loan from (i)	217,341	95,930
Current – unsecured loan from (ii)	30,000	30,000
	<u>247,341</u>	<u>125,930</u>

- (i) John Lynch, director of the Oakdale Resources Ltd provided unsecured interest free loan to the Company during last financial year ended 30 June 2018 and provided further \$121,411 unsecured interest free loan during the half year ended 31 December 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.

Note 4: Other payable

Current – Share application money received	<u>35,000</u>	-
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The Company received \$35,000 (share application money) from group of investors in December 2018 and on 25 February 2019 the Company issued 1,750,000 fully paid ordinary shares to these investors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 5: Equity**

	December 2018 \$	June 2018 \$
Ordinary Shares		
65,337,685 ordinary shares (June 2018: 64,837,685)	5,185,596	5,025,596
Reconciliation of Equity		
Balance as at 1 July 2018	5,025,596	
Issue of share via placement	160,000	
Balance as at 31 December 2018	5,185,596	
	No of Shares	
Balance as at 1 July 2018	64,837,685	
Cancellation of shares issued to Africa Mineral Sands	(7,500,000)	
Issue of share via placement	8,000,000	
Balance as at 31 December 2018	65,337,685	

Note 6: Earning per share

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

	December 2018 \$	December 2017 \$
Net loss used in calculating earnings per share	(286,156)	(332,544)
	Number	Number
<i>Weighted average number of shares</i> for basic and diluted loss per share	64,231,706	56,189,859
Loss per shares	(0.45) cent	(0.59) cent

Note 7: Fair values of financial instruments

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 8: Segment reporting***Identification of reportable operating segments*

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

Note 9: Subsequent events note

The Company has completed its due diligence of Ozinca Australia Pty Ltd (Ozinca) and on 11 January 2019 executed the formal Acquisition Agreement with Ozinca to acquire 100% of the issued shares in Ozinca subject to shareholder's approval. The execution of the Acquisition Agreement was pursuant to the terms of the Binding Terms Sheet announced to the ASX on 15 January 2019.

Ozinca is a private Australian company which, through its 100% wholly owned Peruvian 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.

Subject to shareholders' approval, the Company will issue 100 million fully paid ordinary shares to shareholders of Ozinca Australia Pty Ltd as consideration to acquire a 100% of the shares in Ozinca. The Company will hold a General Meeting of Shareholder on 6 March 2019 to seek shareholder approval for the Company's acquisition of Ozinca.

On 25 February 2019, the Company issued 1,750,000 fully paid ordinary shares to group of investors who applied and paid \$35,000 for the shares in December 2018.

Apart from above, there have been no matters or circumstances that have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 4 to 12 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the Group as at 31 December 2018 and of its performance for the financial half year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Oakdale Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



John Lynch
Director

Date: 27 February 2019

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

As lead auditor for the review of Oakdale Resources Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 27 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oakdale Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Oakdale Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the 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 conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134



Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney'. Above the signature is a small, stylized 'BDO' logo.

James Mooney
Partner

Melbourne, 27 February 2019