

# OAKDALE RESOURCES LIMITED

ASX:OAR FRA:F1S

ACN 009 118 861

## Strategic Gold Exploration & Production Projects in the Americas September 2019

\* Picture of Round Mountain , South Central  
Nevada- Kinross Gold Corporation -

## Oakdale Snapshot - Combined Gold Production with Exploration Upside

### Nevada, US

Three projects:

- Tonopah North
- Douglas Canyon
- Lambarson Canyon

#### Targeting +2.0 million oz Au

- Exploration leader has over 20 years in-country experience including leadership of the team that discovered the 2.3 million ounce Long Canyon gold deposit now in production



### Peru

- Development of the Chimu gold processing plant to upgrade to 120/200 tpd
- Surrounded by small scale miners.
- Proximity to Burpar project which could provide high grade ore (Oakdale has option to acquire)
- Team has 10 years+ in Peru gold activities

# Oakdale Board

## Chris Gale

Chairman

- Extensive experience in board, executive and senior management roles in both the public and private sectors specialising in technology and mining
- Founder and Executive Director of Latin Resources(ASX:LRS) having operated in South America for over 10 years
- Past Chairman of the Council on Australian Latin American Relations established by the Australian Government Department of Foreign Affairs and Trade
- Founding Director of Allegra Capital, a boutique corporate advisory firm based in Perth
- A member of the Australian Institute of Company Directors

## David Vilensky

Non-Executive Director

- A practising corporate lawyer and an experienced listed company director with over 35 years' experience
- Managing Director of Perth law firm Bowen Buchbinder, specialising in corporate and commercial law, corporate advisory, mergers and acquisitions, mining and resources and complex dispute resolution.
- Acts for several public companies and advises on directors' duties, due diligence, capital raisings, compliance with ASX Listing rules, and corporate governance.
- Chairman of ASX listed resources company Latin Resources Ltd (ASX:LRS) and a non-executive director of ASX listed telecommunications and technology company Vonex Ltd (ASX:VN8).

## John Lynch

Non-Executive Director

- An Australian Geologist with over 50 years' experience in exploration and development of mineral deposit, both in Australia and overseas.
- Successfully developed mining projects through to production with a proven track record as a "commercial" geologist
- Previously been executive General manager, Director and Managing Director of public companies, including Oakdale Resources, Weda Bay Minerals, Werrie Gold, and Pan Australian Mining.
- A Fellow of The Australasian Institute of Mining & Metallurgy, and a Foundation Fellow of The Australian Institute of Company Directors.
- A Competent Person for the classification of JORC compliant projects.

# Management

## **Andy Knowles**

General Manager - Peru

- 35 years' experience the Mining & Construction industries as a business & corporate executive
- 9 years experience working in the Gold Industry in Peru, having established the “beach head” operations for another Australian Public Company
- Previously refurbished and recommissioned an older style CIP plant in Southern Peru, and is supervising the design and construction of the new facility
- Holds a MBA from the University of Western Australia, and a BSc from Melbourne University

## **Geoff Balfe**

Exploration manager – Alpine

- Geologist +40 years' experience including +20 years in North America; early experience with Amax in North America.
- Headed up gold exploration for ACM and then MPI-Pittston in Nevada.
- Led the team that discovered the 700,000 oz Ovačik gold deposit in Turkey and then the 2.3M oz Long Canyon deposit in Nevada.
- Leveraging off extensive IP and data base of geochemistry and geology in Nevada to generate new gold targets.

## **Derek Fischer**

Non-Executive Director – Alpine

- Geologist with +40 years' experience in mining companies, spanning both corporate and operational roles, with a particular emphasis on iron ore and nickel projects.
- Played key roles in listing and managing resources companies on both the ASX and TSX as well as identifying, evaluating, developing and operating quality mine developments.
- Co-founder and Director of successful African copper miner Anvil Mining from 1995-2000 and co- founder and CEO/Managing Director of Moly Mines Limited from 2003 until 2012.





## Gold Exploration Projects Nevada

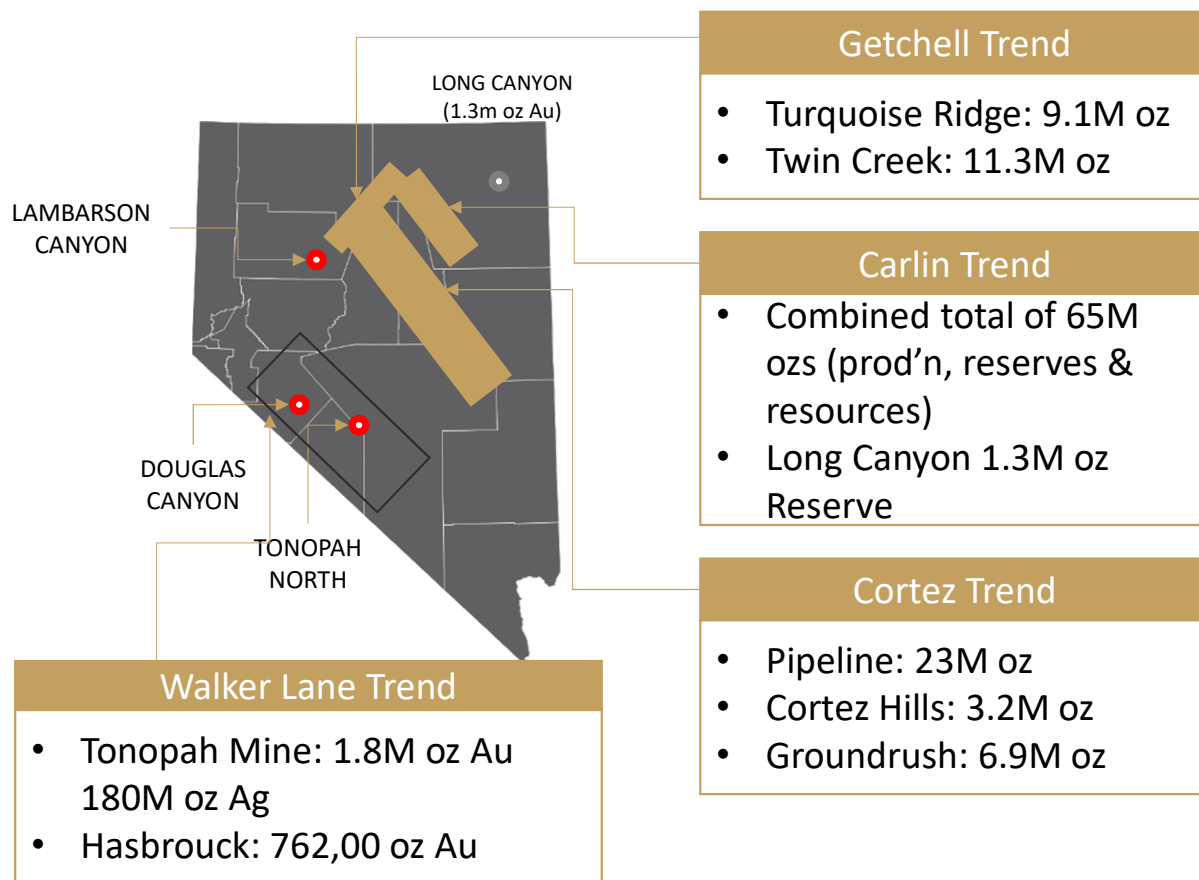


# Nevada Prospective Gold Area – Rated 3<sup>rd</sup> best mining district in the world \*

- **74% of US gold mined in this jurisdiction<sup>#</sup>**
- **5.6M oz gold produced in 2018<sup>#</sup>**
- **Nevada is the 6<sup>th</sup> largest producing gold 'nation' in the world**
- **High quality infrastructure and skilled workforce**
- **Big gold deposits also discovered in areas outside the established trends**
- **Exploration leader (Geoff Balfe) led the team that discovered the 1.3 million ounce Long Canyon gold deposit (Reserve)**

<sup>#</sup> source:  
[https://en.wikipedia.org/wiki/List\\_of\\_active\\_gold\\_mines\\_in\\_Nevada](https://en.wikipedia.org/wiki/List_of_active_gold_mines_in_Nevada)

\* Frasers institute 2018



# Nevada – Exploration Strategy

Three projects:  
Tonopah North, Douglas Canyon & Lambarson Canyon Projects

Targeting +2.0 million oz epithermal and Carlin type gold deposits in Nevada

Leveraging substantial database of 19,000 geochemical samples and geological data maintaining a flow of exploration targets for follow-up

Strong multi-ounce Au +/-Ag sample results with multiple drill targets identified

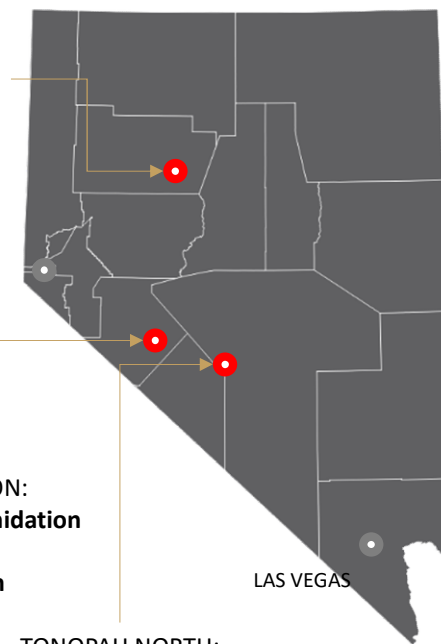
Exploration leader has over 20 years in-country experience including leadership of the team that discovered the 2.3 million ounce Long Canyon gold deposit now in production

LAMBARSON  
CANYON:  
a potential high-grade  
Carlin Type system with  
similar Geological setting  
to the 4.0 M ounce Lone  
Tree deposit

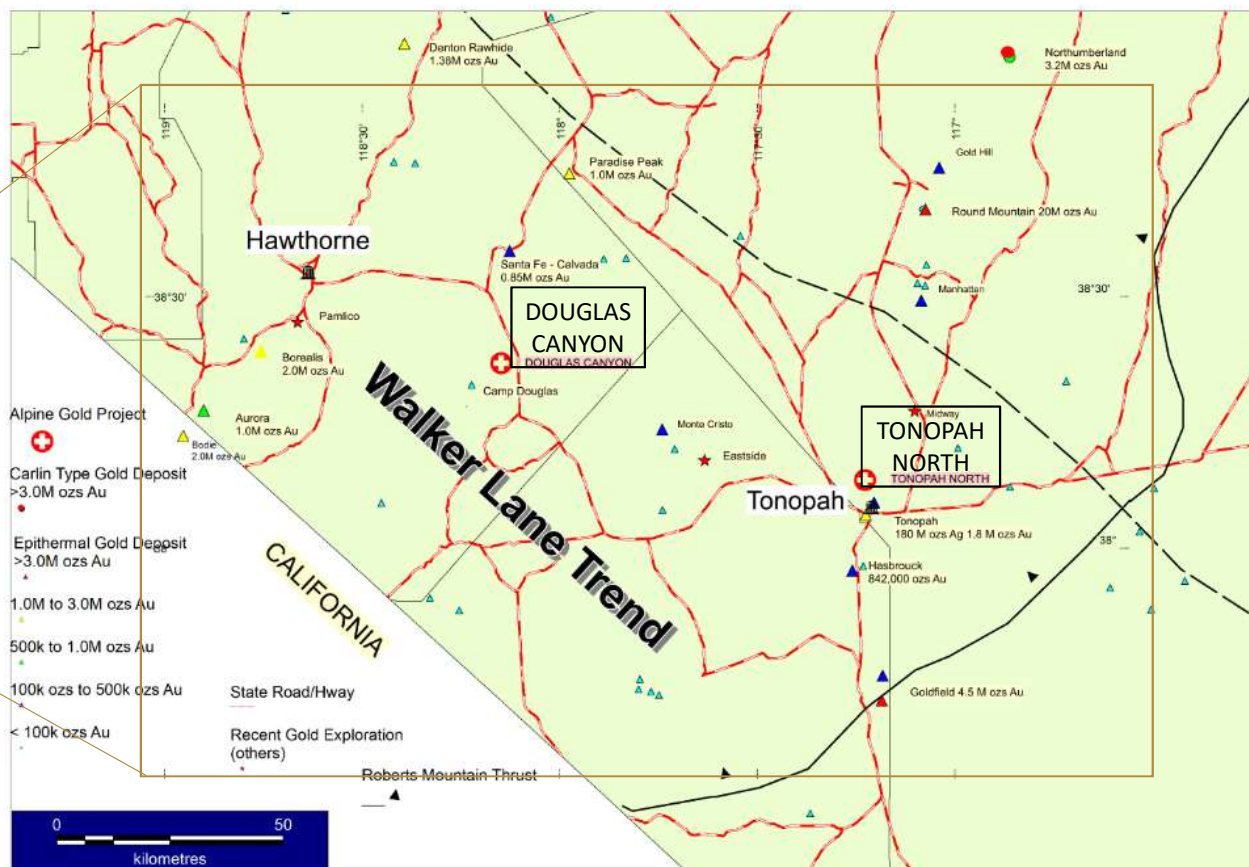
CARSON  
CITY

DOUGLAS CANYON:  
an intermediate sulphidation  
epithermal  
Au – Ag system

TONOPAH NORTH:  
a low-sulphidation  
epithermal gold system:



# Southern Nevada, Historic and Prospective



Historic gold-silver Province

53M ozs historic Gold production

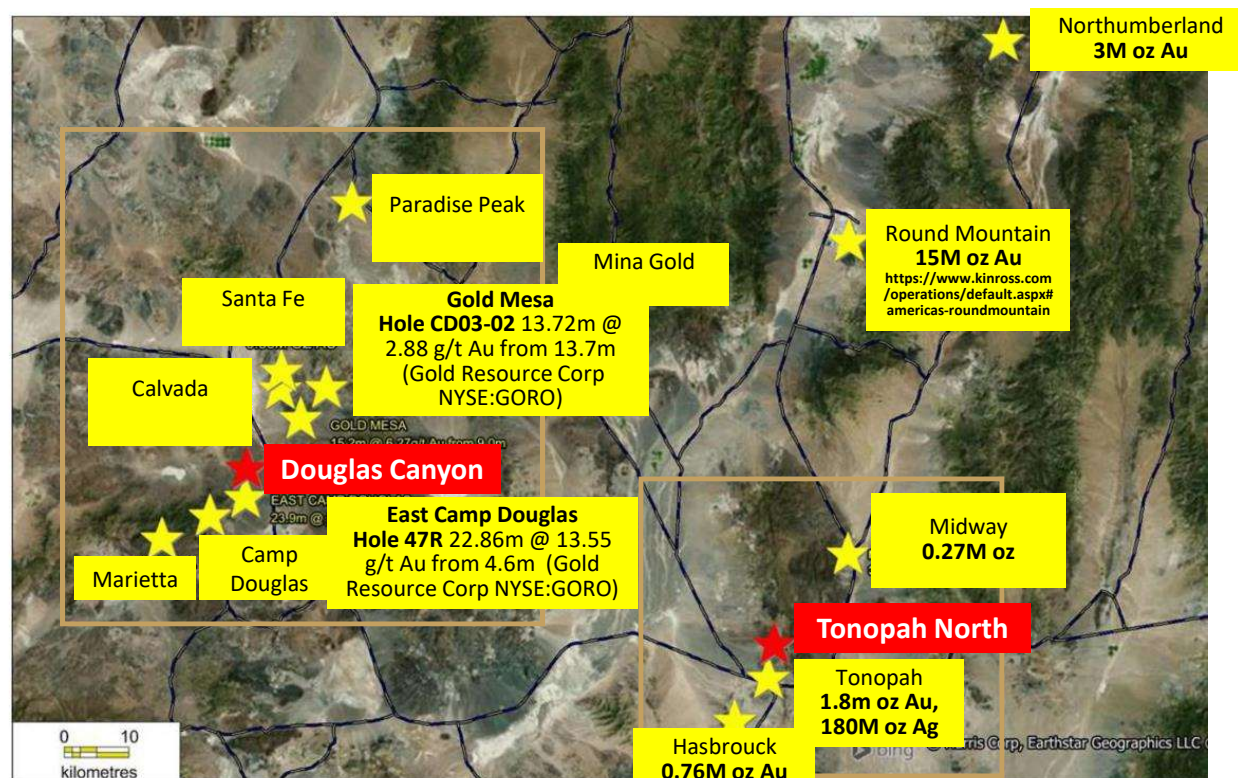
Includes both high sulphidation Cu-Au and low sulphidation epithermal gold-silver deposits

Importance of major structures in controlling gold deposits including NW shear zones and NNE transfer faults

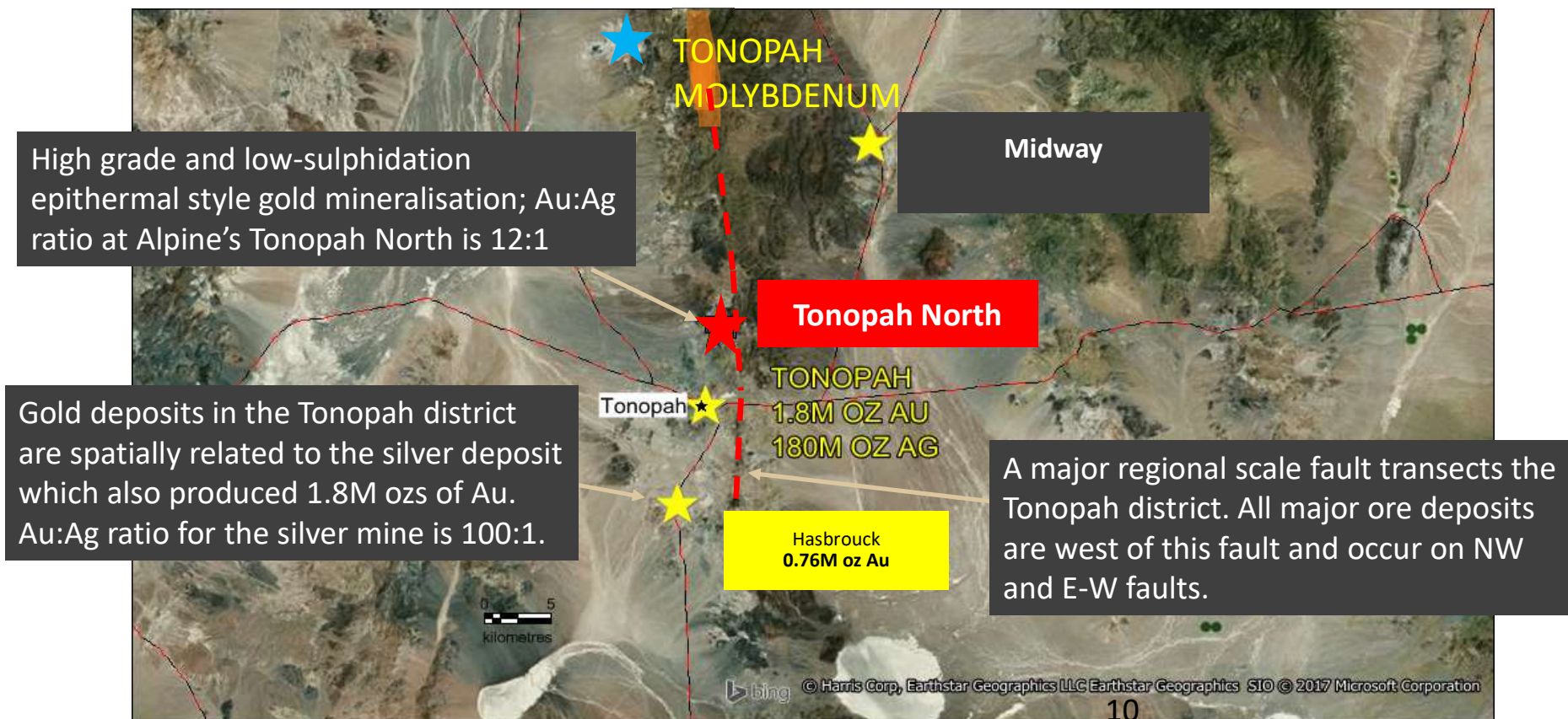


## Location of Tonopah North and Douglas Canyon Prospective Zones

- **Douglas Canyon** is in the Camp Douglas area is a bonanza epithermal gold-silver mining district in the Walker Lane of southern Nevada.
- **Tonopah North** is in the Tonopah area an epithermal gold-silver mining district
- Several gold deposits have been established in the last decade and ground is currently tightly held.



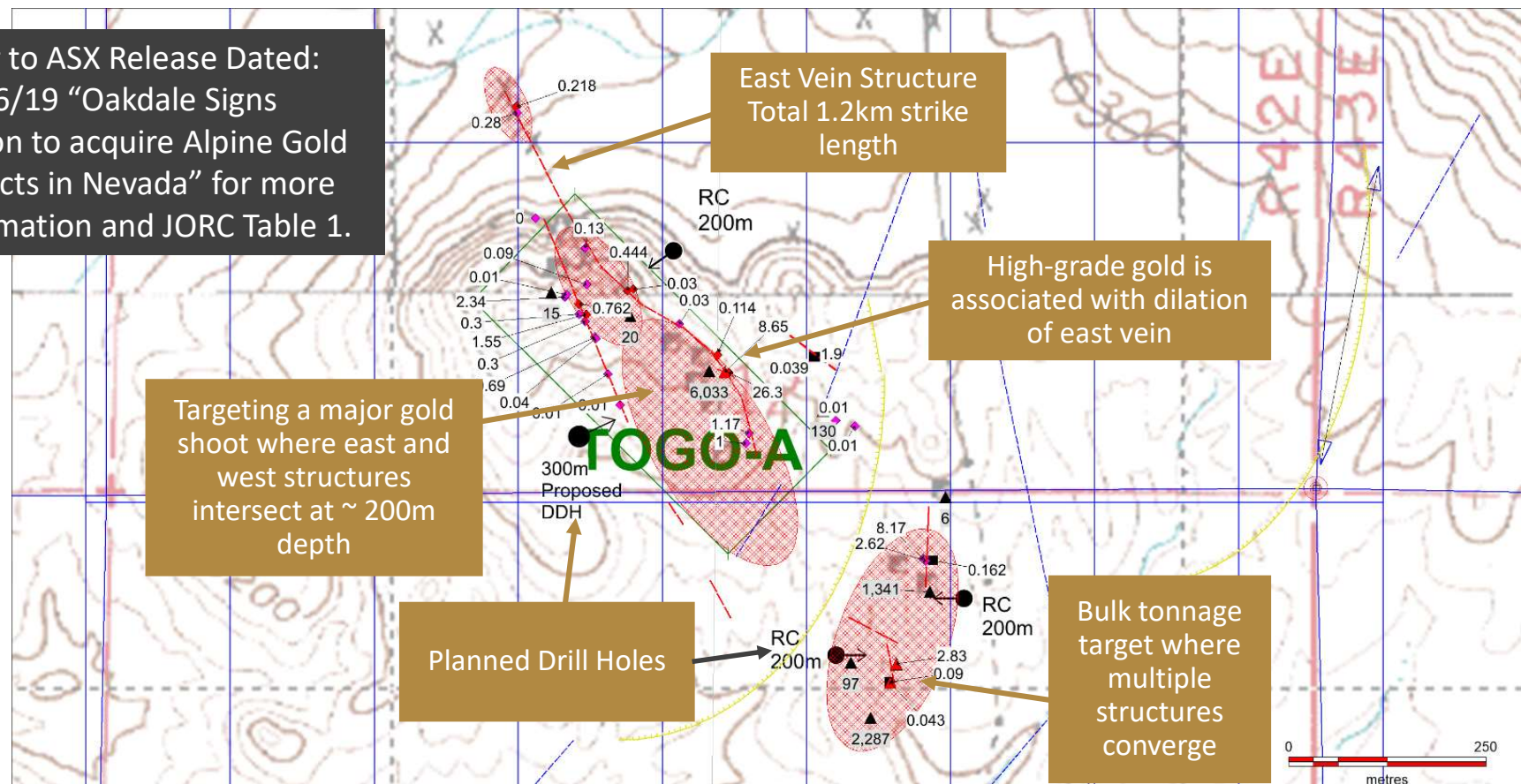
# Tonopah North





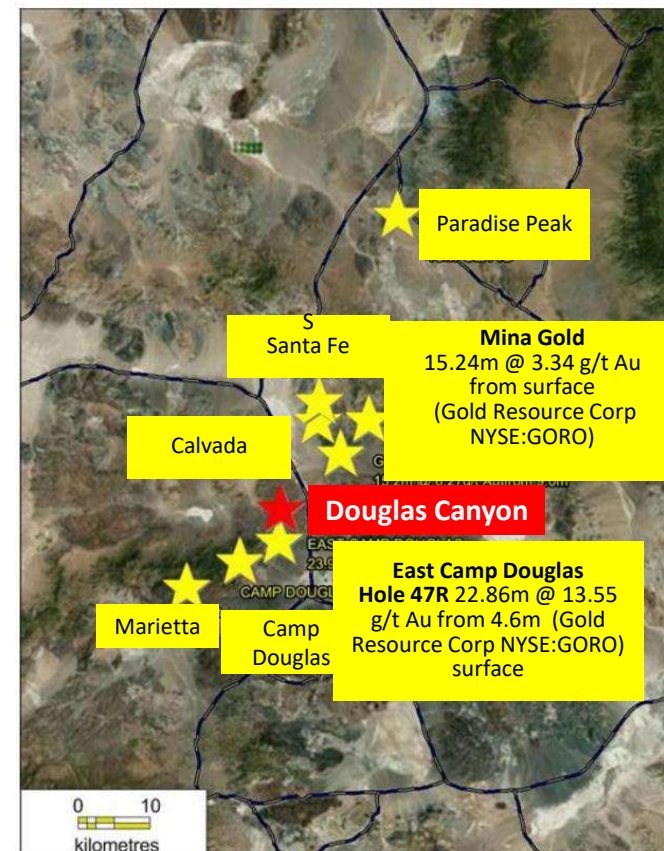
# Tonopah North – Drill Targets

Refer to ASX Release Dated: 27/06/19 “Oakdale Signs Option to acquire Alpine Gold Projects in Nevada” for more information and JORC Table 1.



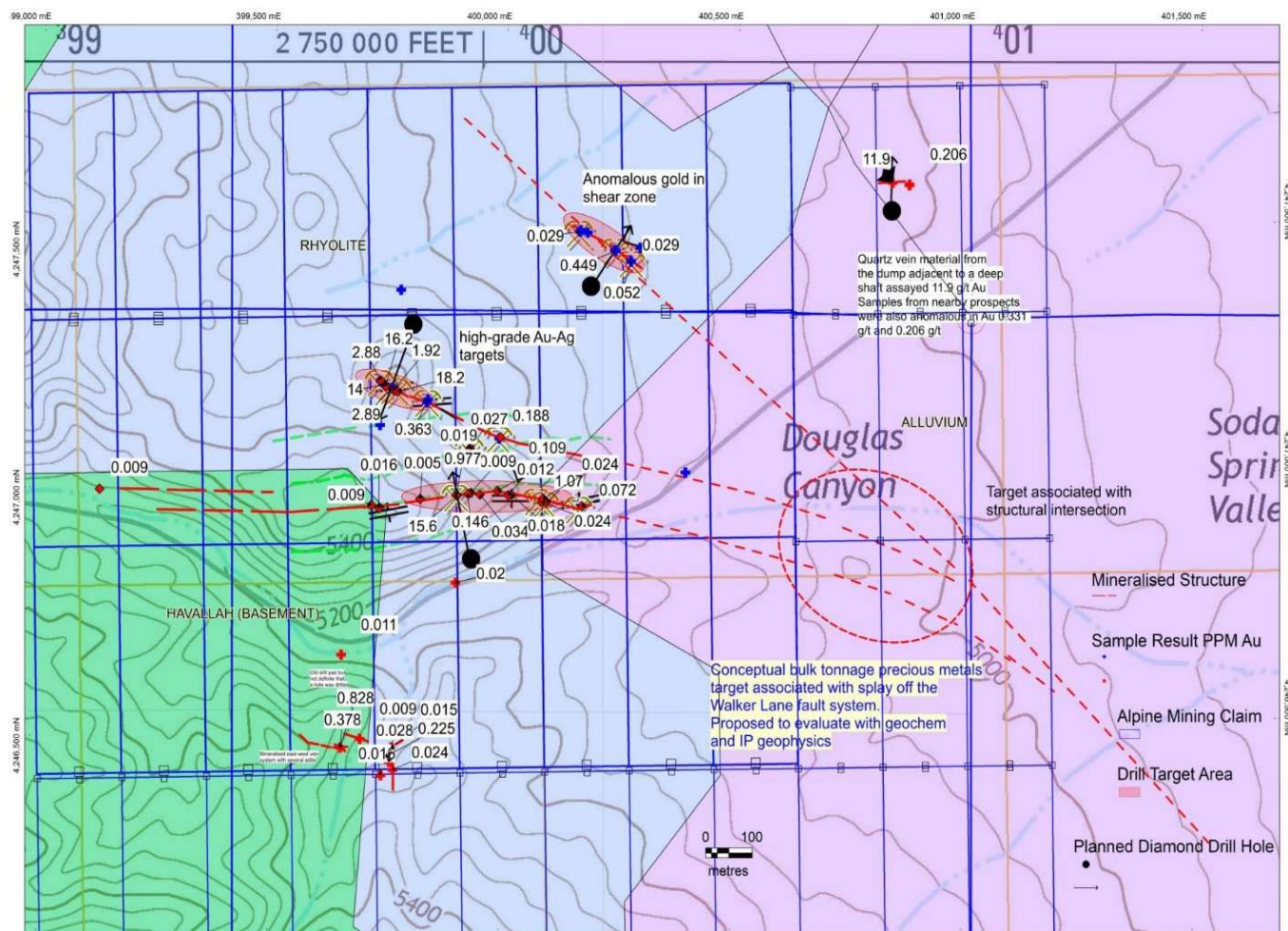
# Douglas Canyon

- The Douglas Canyon project is in the Camp Douglas area which is an epithermal gold-silver mining district in the Walker Lane of southern Nevada.
- Recent follow-up by Alpine led to multiple old workings and very strong Au and Ag rock chip values were obtained from old prospect pits and mine dumps which lead to a decision to stake the property.
- The mineralisation is controlled by regional scale NW trending shear zones with east-west shear-link structures hosting gold mineralisation.
- Recent activity in proximity includes:
  - Gold Resource Corporation (NYSE:GORO) is acquiring the Mina Gold Project north of Douglas Canyon and has some encouraging drill hits including 15.24m @ 3.34 g/t Au from surface. Drill hits from the East Camp Douglas property include 22.86m at 13.5 g/t Au from 4.6m; reference: <http://www.goldresourcecorp.com/NV-exploration.php>
  - Newrange Gold (TSXV:NRG) is advancing the Pamlico property
  - Columbus Gold (TSX:CGT) is advancing the Eastside property at Monte Cristo.





# Douglas Canyon – Drill Targets



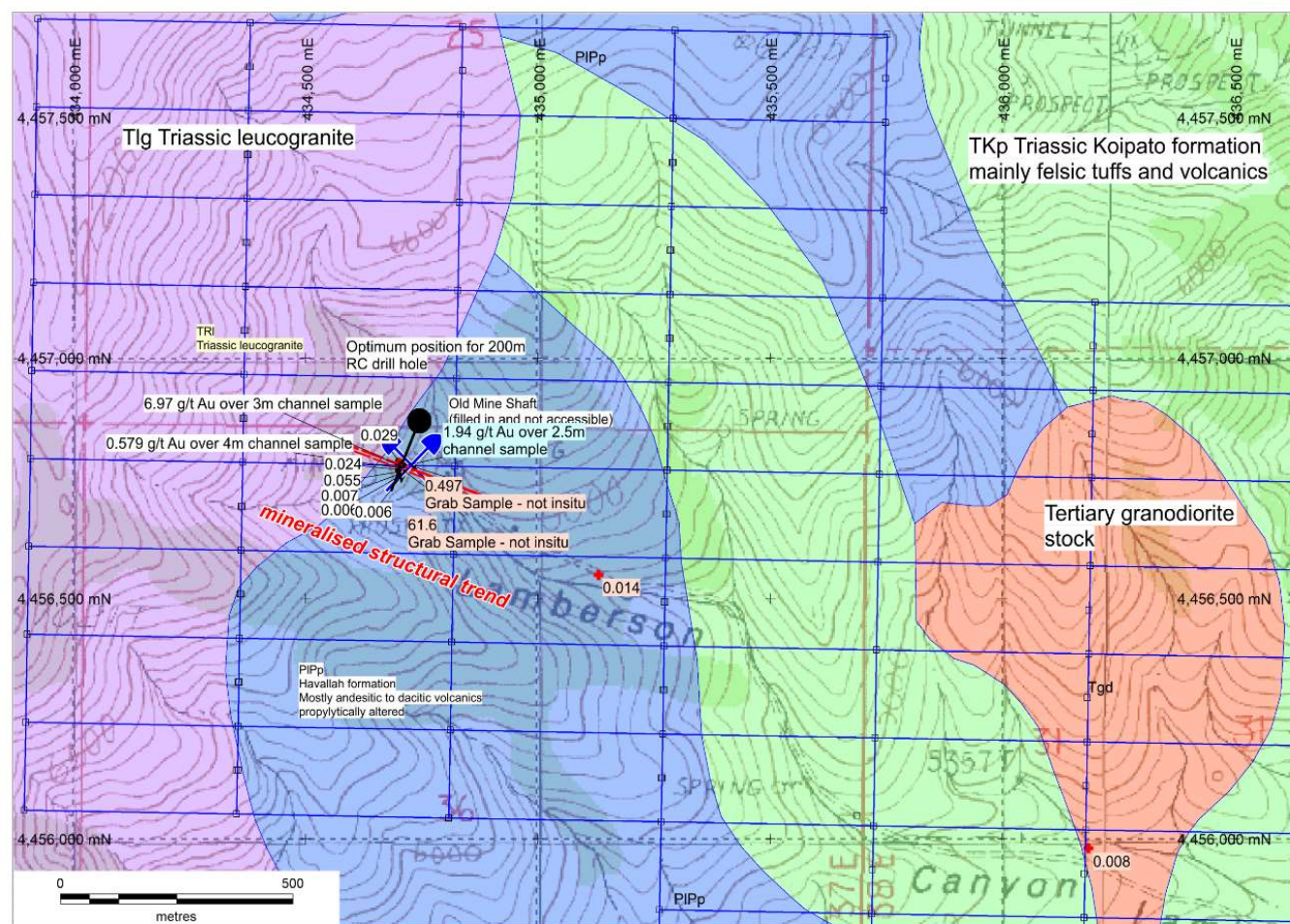
Refer to ASX Release Dated: 27/06/19 “Oakdale Signs Option to acquire Alpine Gold Projects in Nevada” for more information and JORC Table 1.

- Results of dump sampling in g/t Au
- All drill holes shown are planned and subject to capital raising

# Lambarson Canyon – Gold outcrop sampling results

- The property is located 100km south of Winnemucca in the East Range, Pershing County.
- A large granite intrusion and smaller Tertiary intrusions are hosted by Permian Havallah Group rocks.
- The uplifted stratigraphy around the intrusions is considered prospective for gold mineralisation and Alpine has collected gold samples .

Refer to ASX Release Dated: 27/06/19  
 "Oakdale Signs Option to acquire Alpine Gold Projects in Nevada" for more information and JORC Table 1.





## Alpine Resources ;Option Terms

**The terms and conditions of the Binding Option Term Sheet ("Term Sheet") to acquire all of the shares in Alpine Resources (USA) Pty Ltd ("Alpine") is summarized as follows:**

- Should Oakdale decides to acquire the Option it will then pay to Alpine the sum of \$US200,000 which will be used by Alpine to fund the drill permitting ,concession fees and geophysical exploration program. This has been agreed.
- Prior to the end of the initial exploration program Oakdale must give notice to Alpine of its intention to undertake the next stage of the exploration program involving a minimum of 800 metres of diamond drilling ( \$US 500,000) to be managed by Alpine .
- At any time during the Option Period Oakdale can give notice to Alpine of its intention to exercise the Option to acquire the Alpine Shares whereupon the Alpine Shares must be transferred to Oakdale by the Alpine shareholders for no further payment.

**Following the transfer of the Alpine Shares to Oakdale, Alpine shareholders shall be entitled to be issued shares in Oakdale subject to the achievement of certain milestones as follows:**

- 30 million Oakdale shares when the Option is exercised and formal agreement signed.
- A further 25 million Oakdale on the announcement of the first 500 thousand ounces of gold or gold equivalent JORC compliant resource.
- A further 25 million Oakdale shares on the announcement of a further 500 thousand ounces of gold or gold equivalent JORC compliant resource (for a total of 1 million ounces) of JORC compliant resource.



# Chimu Gold Processing Operation





## Chimu Processing Plant, Peru



- Chimu processing plant is 660km by highway from Lima, 40km from coastal town of Chala
- Chala and Ayacucho areas surrounded by thousands of small scale mining producers
- Close proximity to port for export
- In close proximity to Burpar Project which could provide high grade ore (Oakdale has option to acquire)

# Peru Gold Processing Framework

Peru is the first country in South America to have formalised small scale mining resulting in a boom of small scale mining activity

All mines MUST process Gold Ore through a recognised, permitted Gold Processing Plant facility, such as Oakdale's Chimu Plant

Oakdale has one of the few recognised, permitted Gold Processing facilities creates a window of opportunity

Oakdale has a working team with proven gold processing experience in Peru



## Production Process



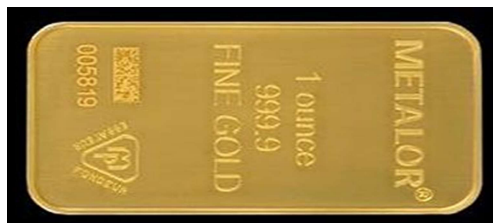
Miners bring ore to Chimu mine gate.  
Chimu pay miners for ore on a standardised formula



The ore is processed through the Chimu Carbon In Pulp (CIP) processing plant



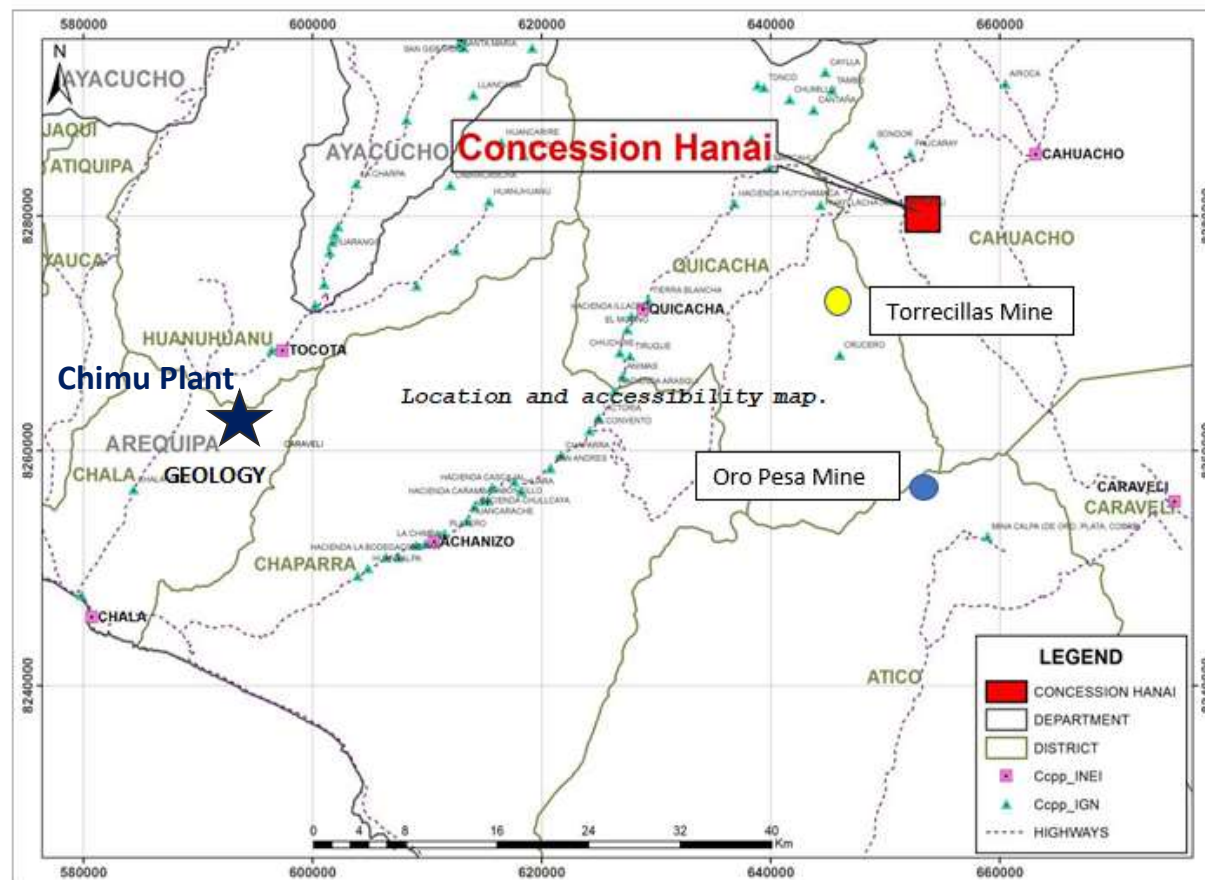
The loaded gold carbon is then transferred to the Metalor refinery in Lima to produce Dore



The Dore is then flown to Metalor refinery in Switzerland to produce bullion

# Burpar Project Background and Location

- There are 2 concessions, collectively known as the Burpar Project, and includes the Hanai Gold Mine. Permits have been granted for mineral extraction and exploration for over 1,500 hectares
- The proposed operational asset is the Hanai Gold Mine which is a system of high grade Gold veins, which have been mined underground, and are located in the Nasca - Ocoña belt as part of the coastal batholith in Southern Peru
- This project is currently under option to carry out Due Diligence prior to acquiring the mine
- If acquired this mine could provide high grade ore to the Chimu Gold plant





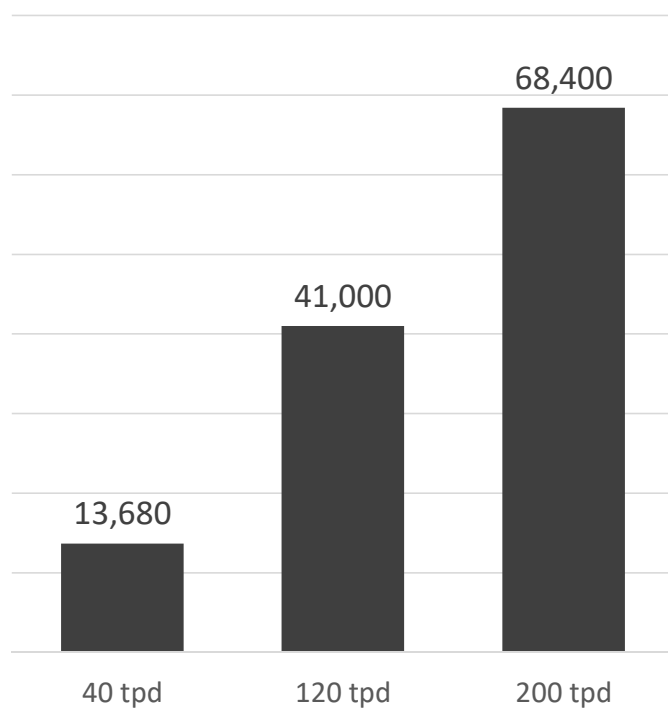
## Formula for Setting Gold Ore Purchase Price

The final price paid for any given ore is calculated according to a formula that is used by all Peruvian Plants that purchase Ore in the marketplace. It is well understood and totally accepted by all miners who sell their ore to Toll Processors – the price paid is a function of grade, recovery, gold price, a gold price volatility discount & a processing fee

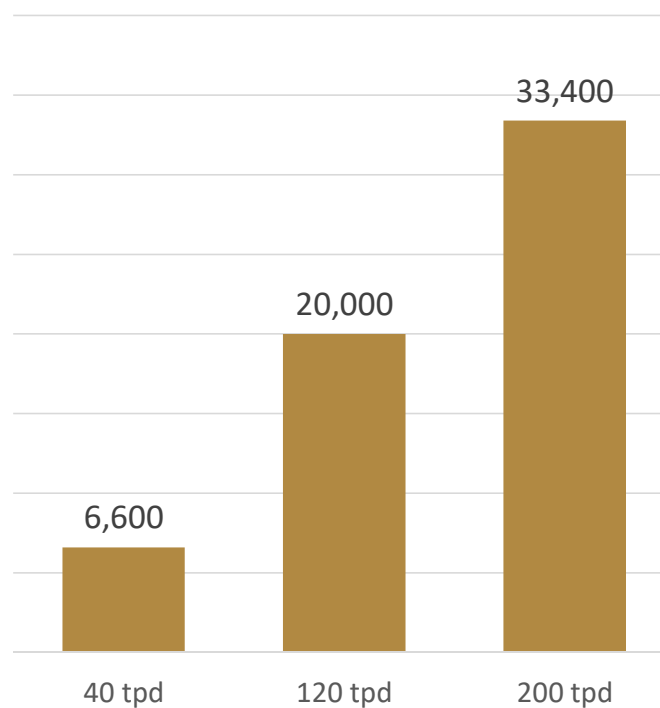
FORMULA PARAMETERS	CHIMU ANTICIPATED UNIT COST	ANTICIPATED COSTS USING BURPAR SUPPLIES
Grade : Ounces per short tonne(16.5 grams per tonne)	0.53	0.53
Recovery: Plant specific. Typically advertised at 80% - 88%	84%	92%
Gold Price: London close previous day	\$1250	
Volatility Discount: Industry agreed, Typically \$120 - \$150 per ounce	\$135	-
Maquila or Processing Fee. Typically \$120 - \$160 per tonne	\$140	-
<b>Anticipated Purchase Price from Miners (per tonne)</b>	<b>\$356</b>	<b>\$145 (mine cost)</b>
Anticipated Purchase Price (per ounce)	\$671.80	\$273.30
Less anticipated Silver credits (per ounce, gold equivalent)	-\$56	- \$56
Plus variable production costs	\$225	\$225
Plus fixed costs	\$40	\$40
<b>Anticipated Total Unit Cost of Ore per Ounce</b>	<b>\$880.80</b>	<b>\$482.30</b>

## Toll Processing Estimated Values

Annual ROM tonnage



Annual tolling throughput (oz)

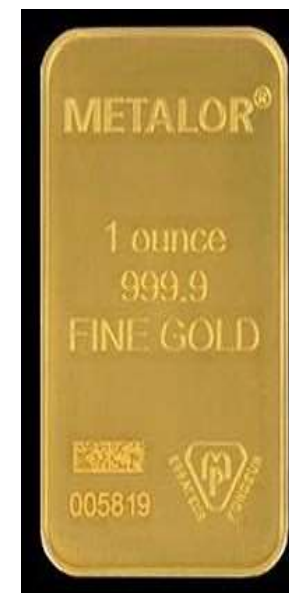


- Assumes 0.53 oz average per tonne
- Assumes recovery of 92%
- 28.5 days per month processing time
- Average production cost of US\$880 per oz - \$450 utilizing own mine ore
- Long term target is 90k-100k oz of annual production with 3 plants within 5 years

## Peers in Peru

### Other listed Mineral Processing companies in Peru:

Company	Ticker	Market Cap	Description
Dynacor Gold Mines	DNG – TSX	AUD\$72m	Operates a 350 tpd processing plant in Chala and commenced a \$12 million construction plan of a second 350 TPD gold plant, located in Southern Peru
Inca One Gold Corp	TSX-V: IO Frankfurt: SU9.F	AUD\$10m	A Canadian-based mineral resource company and mineral processing company with two gold milling facilities in Peru, servicing government-permitted small-scale miners
Vi Mining	NEX:VIM	AUD\$83.5m	Recently acquired the Rosario and Minaspampa Gold mines in La Libertad, Northern Peru, with the view to restarting mining operations and unlocking shareholder value



## Strategic Rationale – Strong Cashflow



Existing plant and operation for near term positive cashflow

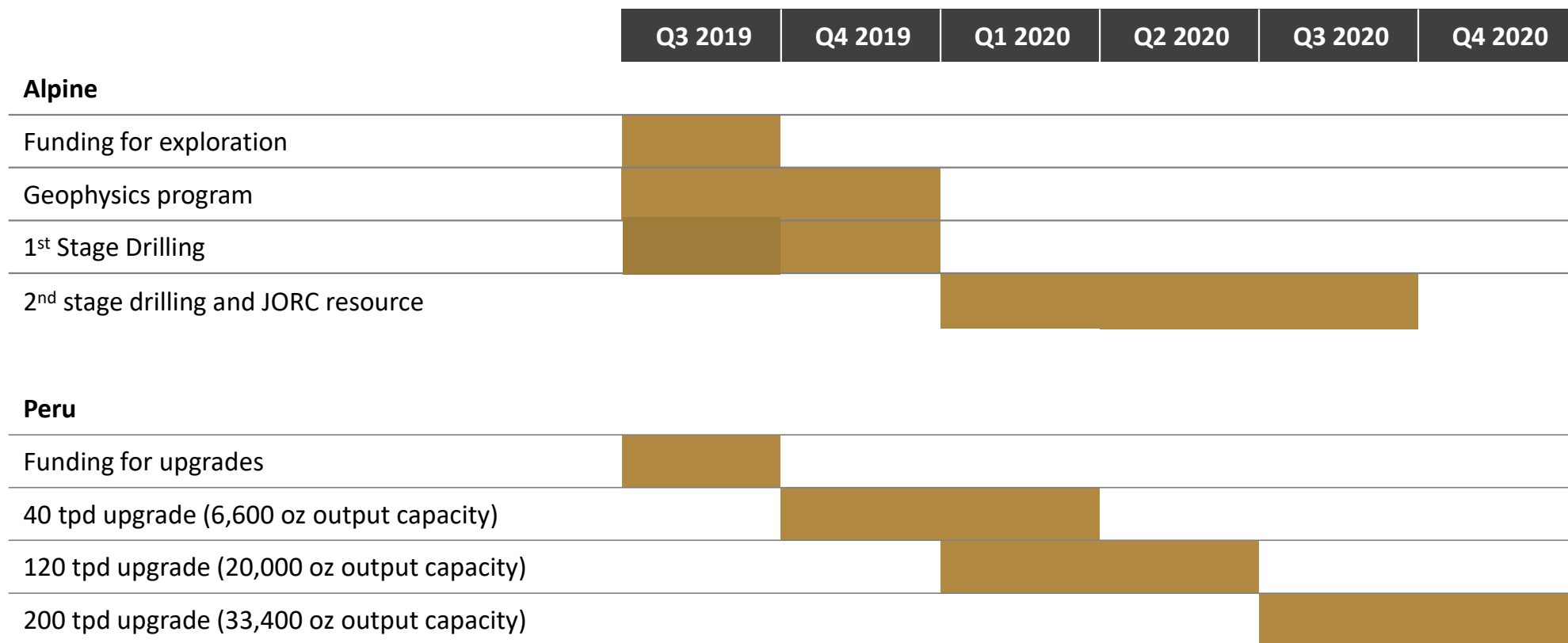
Low capex to improve volume and efficiency initially to 40 tpd then 120tpd to 200tpd

Proximity to thousands of small scale miners requiring processing capability

Oakdale plans to have three 200tpd plants strategically placed throughout Peru within 5 years



# Projects Timeline



## Peer Comparative Analysis –Nevada

<b>Nevada based Gold Companies</b>	<b>Market Cap</b>	<b>Resource (AU)</b>
<b>NV Gold (TSX: NVX)</b>	<b>\$10m</b>	<b>Exploration</b>
<b>Gold Resource Corp (NYSE:GORO)</b>	<b>\$225m</b>	<b>576,000 Au -Nevada In Production</b>
<b>West Kirkland (TSX:WKM )</b>	<b>\$30m</b>	<b>700,000 Au</b>
<b>Paramount Gold (TSX:PZG)</b>	<b>\$29m</b>	<b>Exploration</b>
<b>Oakdale Resources (ASX:OAR )</b>	<b>\$4.4m ( Post raise)</b>	<b>Exploration</b>

## Capital Structure

	Current Shareholdings	Shareholding post-placement	Shareholding post-Alpine Transaction	Shareholding post-earn-out
Existing Shareholders	208,022,030	267,641,843	447,497,843	208,022,030
Participants in Placement	59,619,813 (SPP )	179,856,000 (\$0.0834)		239,475,813
Alpine Vendors			30,000,000	30,000,000
<b>Total</b>	<b>267,641,843</b>	<b>447,497,843</b>	<b>477,497,843</b>	<b>477,497,843</b>
<b>Market Capitalisation @ 1c</b>		<b>\$4.4m</b>		
<b>Cash</b>	<b>\$2.67m</b>	<b>\$2.0m</b>	<b>\$4.77m</b>	<b>\$4,774,000</b>
<b>Enterprise value</b>		<b>\$2.4m</b>		

# Oakdale - Highlights

Short term production, cashflow and profitability from the Peru project to fund Nevada exploration

Management has the operating and M&A experience to create a premier investment in a very short timespan

Highly attractive NPVs, Internal Rates of Return & capital paybacks with Peru Gold plant

Major exploration upside with potential Nevada gold projects



## Contact

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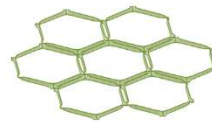
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# OAKDALE RESOURCES LIMITED

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Thank You & Questions

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## **Competent Person’s Statement**

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## References to Historic and Current Resources and Reserves

Mine/Deposit	Tonnes	Grade (g/t Au)	Total Ounces Au	Reference
Turquoise Ridge	21,855,000	12.97	9,110,000	<a href="https://miningdataonline.com/property/601/Turquoise-Ridge-Mine.aspx#Overview">https://miningdataonline.com/property/601/Turquoise-Ridge-Mine.aspx#Overview</a>
Twin Creeks	75,191,000	2.71	11,329,000	<a href="https://miningdataonline.com/property/2984/Twin-Creeks-Operation.aspx">https://miningdataonline.com/property/2984/Twin-Creeks-Operation.aspx</a>
Goldstrike	9,074,000	0.16 (oz/ton)	1,456,000	<a href="https://barrick.q4cdn.com/788666289/files/technical-reports/goldstrike-04252017.pdf">https://barrick.q4cdn.com/788666289/files/technical-reports/goldstrike-04252017.pdf</a>
Goldstrike Historic	-	-	42,000,000	<a href="https://en.wikipedia.org/wiki/Goldstrike_mine">https://en.wikipedia.org/wiki/Goldstrike_mine</a>
Carlin Trend Historic (including Goldstrike)	-	-	65,000,000	<a href="https://ausimm.com/product/gold-deposits-of-the-goldstrike-mine-carlin-trend-nevada/">https://ausimm.com/product/gold-deposits-of-the-goldstrike-mine-carlin-trend-nevada/</a>
Long Canyon (reserve)	18,400,000	2.29	1,300,000	<a href="https://www.mining-technology.com/projects/long-canyon-gold-mine-nevada/">https://www.mining-technology.com/projects/long-canyon-gold-mine-nevada/</a>
Pipeline Deposits (combined prod'n)	-	-	23,000,000	<a href="https://en.wikipedia.org/wiki/Cortez_Gold_Mine">https://en.wikipedia.org/wiki/Cortez_Gold_Mine</a>
Cortez Hills (M + I)	56,730,000	1.75	3,170,000	<a href="https://barrick.q4cdn.com/788666289/files/doc_downloads/2019/07/Barrick-Gold-Corporation-Technical-Report-on-the-Cortez-Mine-March-22-2019.pdf">https://barrick.q4cdn.com/788666289/files/doc_downloads/2019/07/Barrick-Gold-Corporation-Technical-Report-on-the-Cortez-Mine-March-22-2019.pdf</a>
Groundrush	47,000,000	4.56	6,900,000	<a href="https://mrdata.usgs.gov/sedau/show-sedau.php?rec_id=103">https://mrdata.usgs.gov/sedau/show-sedau.php?rec_id=103</a>
Comstock Mine (historic)	-	-	8,256,000 ozs Au 192,000,000 ozs Ag	<a href="https://www.geologyforinvestors.com/great-deposits-comstock-lode/">https://www.geologyforinvestors.com/great-deposits-comstock-lode/</a>

## References to Historic and Current Resources and Reserves

Mine/Deposit	Tonnes	Grade (g/t Au)	Total Ounces Au	Reference
Hasbrouck Project	45,270,000	0.48	762,000	<a href="http://wkmining.com/projects/hasbrouck_development/">http://wkmining.com/projects/hasbrouck_development/</a>

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