

**QUARTERLY ACTIVITIES REPORT**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2019**

**HIGHLIGHTS**

**Nevada**

- Due diligence completed on the Alpine Gold Assets in Nevada, USA, incorporating Tonopah North, Lambarson Canyon & Douglas Canyon Gold Projects
- Permitting of drill programs being expedited and drill permit received for Tonopah North
- Drill contractor selected with commencement of drilling scheduled for last week in October.

**Peru**

- Due Diligence for the acquisition of the Hanai Gold Mine & Burpar Concessions, Southern Peru.
- Chimu Gold Plant: Construction permit for major infrastructure work has been obtained for the Stage 1 upgrade. Tailings Dam Contractor about to mobilise and commence earthworks.

**Corporate**

- Completion of merger approved 6 March 2019
- Changes to Board and management
- Relocation of management and administration to Perth, WA
- Capital Raising

**Summary**

**Oakdale Resources Limited (ASX: OAR) (“Oakdale” or “the Company”)** provides the quarterly report for June 2019 following the merger between Ozinca Australia Pty. Ltd. and Oakdale Resources Ltd. This transaction was consummated at the Extraordinary General Meeting of Oakdale shareholders in Melbourne on 6 March 2019. The Company is pleased to confirm that all legal documentation has been completed, and all holding statements have now been issued to new shareholders. The management and administration offices have relocated to offices in Perth, Western Australia.

**Oakdale is pleased to provide an update on our operations in Peru, North America and Australia.**

The Company has signed a Binding Option Term Sheet with Alpine Resources (USA) Pty Ltd for its’ Nevada based Alpine Project. The Alpine Projects are targeting epithermal and Carlin type gold deposits in the Nevada region, which is ranked “World Top 3” as a mining jurisdiction by the Fraser Institute. Three properties have been staked all with strong multi-ounce gold and silver sample results, and all with multiple drill targets identified. The Alpine exploration team has over 20 years “in-country” experience, including leadership of the team that discovered the 2.3 million ounce Long Canyon gold deposit, which is now in production. Subject to completion of Due Diligence, our objective is to move all properties to drilling in 2019.

The Company also intends to target similar highly prospective, yet under-explored, trends similar to the Long Canyon gold trend and other analogous settings in Nevada, as an exploration target based on established gold trends.

## OAKDALE OPERATIONS

### Nevada – USA

On 27 June 2019 the Company signed a Binding Option Term Sheet with Alpine Resources (USA) Pty Ltd (“**Alpine**”) for the acquisition of its’ Alpine Project incorporating the Tonopah North, Douglas Canyon and Lambarson Canyon Projects in Nevada, USA (“**the Projects**”). The Projects are targeting Carlin and epithermal type million plus ounce deposits in northern and southern Nevada, USA.

Stage One of the Budget and Program for Nevada was initiated and this is focussed on obtaining the necessary drill permits for each project and selecting the drill contractor. A program of IP geophysics was also included in Stage One and a suitable contractor was selected. Due to high demand for geophysical services the surveys did not commence until after the end of the Quarter.

The Bureau of Land Management made a decision on 26 September approving the proposed drill program for Tonopah North. The Company lodged the required security bond on October 15 meaning that drilling operations can now commence.

Permitting of the Douglas Canyon project is now in progress to be followed by Lambarson Canyon. It is the objective of the Company to drill Tonopah North and Douglas Canyon this year with Lambarson Canyon to follow in 2020.

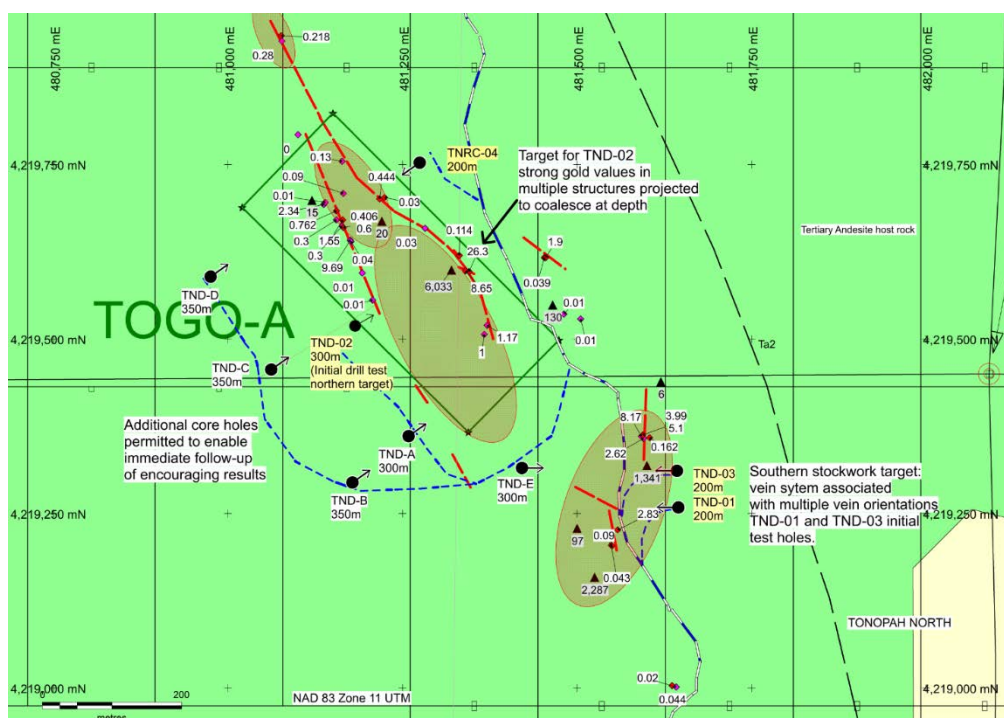
As Stage One is effectively completed the Company and Alpine agreed to commence Stage Two which involves drilling operations.

The analytical results reported below are derived from sampling carried out by Alpine Resources (USA) Pty Ltd and have been previously reported by the Company during the Quarter.

### Tonopah North

Following receipt of the drill permit all drill roads and drill sites were marked out ready for clearing.

The planned drill program is shown in Figure 1, below:



**Figure 1. Tonopah North Project and Layout of Planned Drill Holes**

Drilling will commence on the southern target with TND-01 while the access roads into the northern target are prepared. The southern target is potentially a stockwork system where the north-west and north-south structural corridors intersect. In addition to the veins having multiple orientations in this area there is a strong halo of altered rock around the targeted veins.

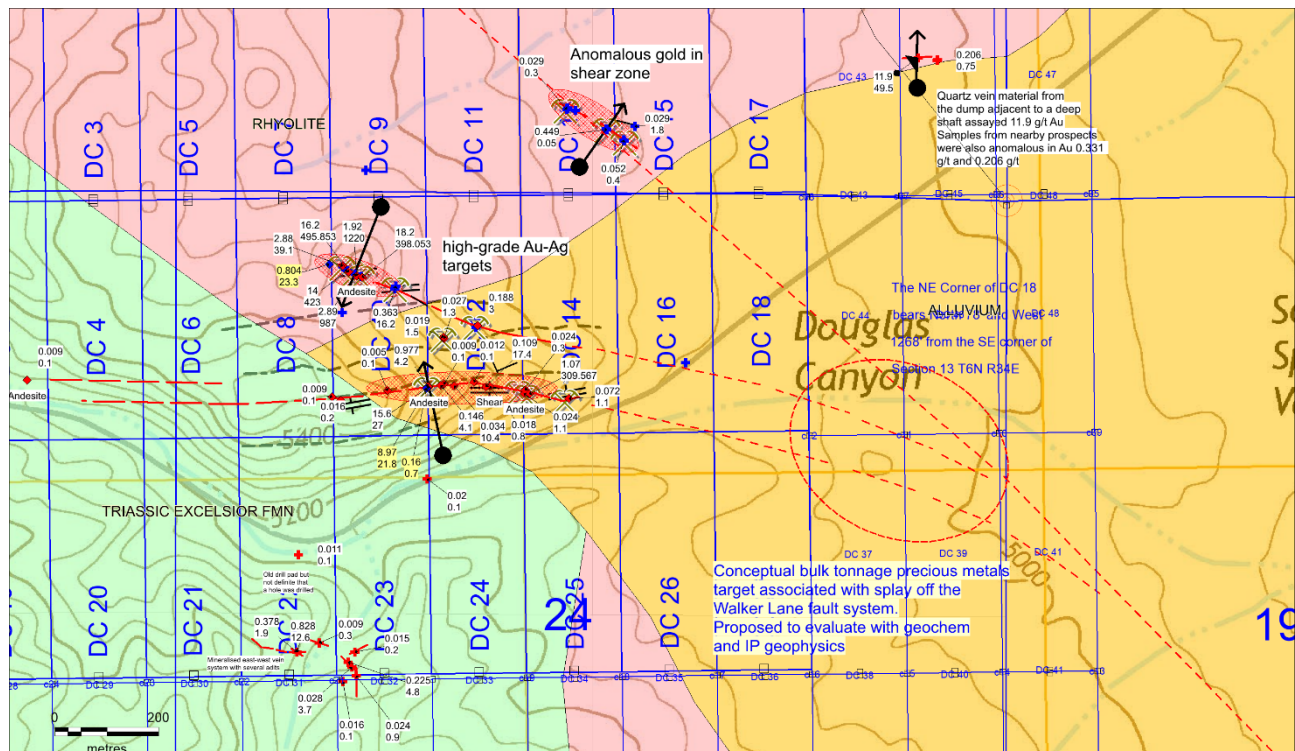
The initial drill program will involve up to four holes (TND's 01 to 04) for a total of 900m of core drilling. Orientated drill core will samples will be collected to enable the orientation of mineralised veins to be measured so that drilling can be optimized to intersect the maximum number of veins.

Additional holes have been permitted to give the capability to scope out an initial resource if justified by results.

Conceptual drill target model is based on the high-grade Midway epithermal gold deposit located 10kms to the northeast. At Midway gold mineralisation is “pooling” around the unconformity between Tertiary volcanics and the pre-Tertiary basement rocks. At Tonopah North Gold mineralisation is “leaking” from both west and east faults and this is interpreted as evidence of a gold mineralising system at depth. Maximum gold grades at surface are associated with the east structure where the dip flattens from vertical to 700 west. Potential seen for a major dilation zone at the intersection of the west and east structures. Potential for stockwork or dilational zones where the dip of the east structure either intersects the west structure, or where it changes back to vertical at depth.

### Douglas Canyon

The permitting process is underway and drilling will follow Tonopah North. Figure 2 shows the drill holes that are being permitted. At Douglas Canyon there are at least five major shear zones that carry gold mineralization. Drilling will be carried out on three of the shear zones. Additional holes can be added to the program if required by making an amendment to the drill permit. This process takes about two weeks.

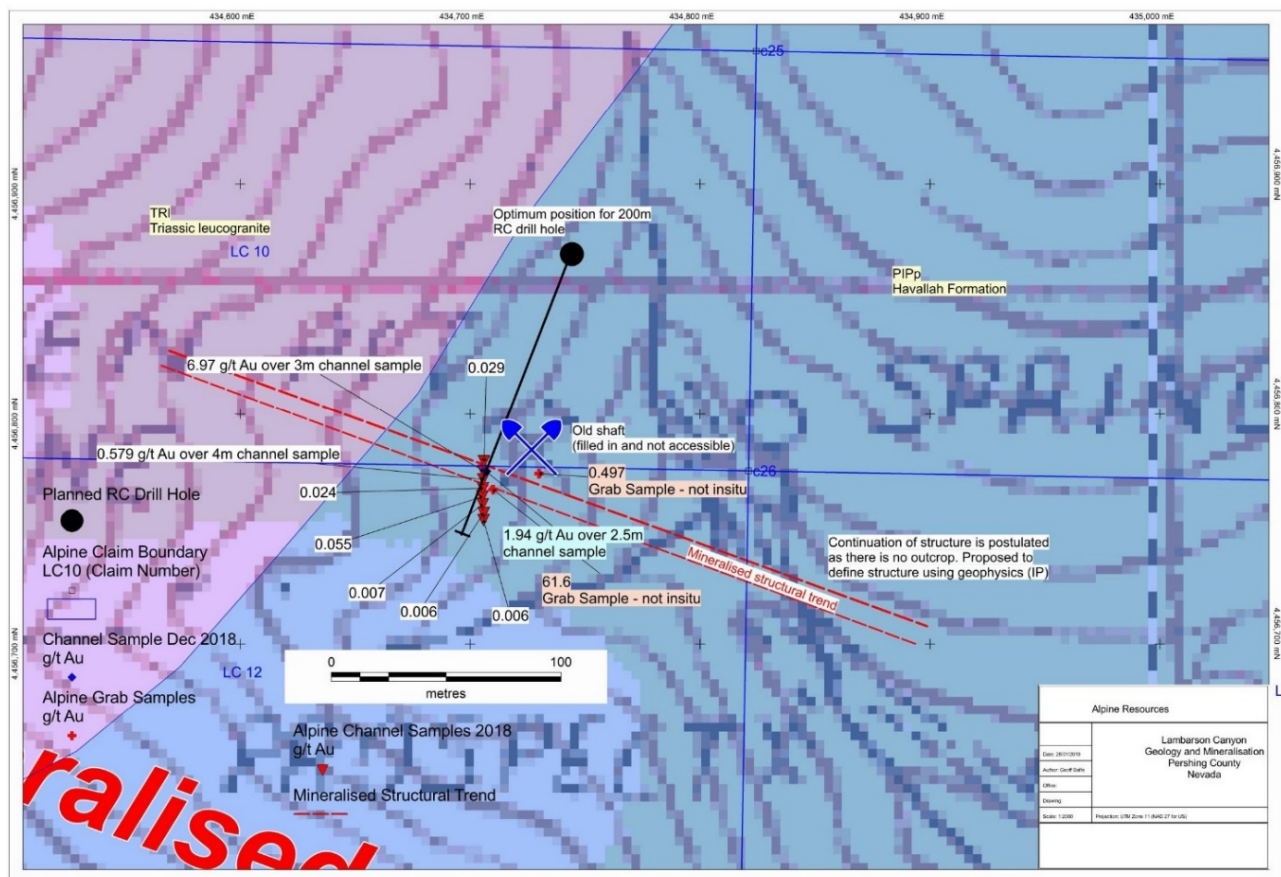


**Figure 2. Douglas Canyon Project - Planned Drill Holes and shear zones with gold/silver sample results in PPM**

### Lambarson Canyon

Permitting procedures were commenced with a plan to drill this property in early spring 2020. A 3D IP survey was commissioned and started after the end of the Quarter. The results will assist with positioning drill holes in the optimum location to test the targeted mineralisation.

Lambarson Canyon is an intrusion related gold system located in East Pershing county, Nevada. Gold mineralization is associated with highly weathered outcrops of brecciated rock including fragments of quartz veins, porphyry and volcanic rock. Porphyry intrusions include a large Triassic granite stock to the west of the prospect and a small Tertiary age porphyry within the Alpine tenements. Mineralised hydrothermal breccias may form above porphyry intrusions or on dilational fault systems that are connected to porphyry systems at depth. The samples collected by Alpine are low in base metals and silver but anomalous in arsenic and mercury indicating that the mineralization is still high-level and epithermal.



**Figure 3. Results of Alpine sampling at Lambarson Canyon**

The Stage Two exploration program will involve a minimum of 800 meters of diamond drilling on the priority targets to be managed by Alpine in accordance with an agreed and approved program and budget at a maximum cost of USD\$456,000. This program is expected to be completed by December 2019. Additional drilling at any of the prospects plus Lambarson Canyon will be carried out in 2020 using additional funds that the Company has approved for this purpose.



### **Chimu Gold Plant – Peru, South America**

The Municipal Licences have been obtained, and the Detailed Engineering Study nears completion. The Chimu Plant site has been surveyed and all the planned infrastructure and buildings have been allocated co-ordinates on the site plan.

The Company is finalising the Detailed Engineering Study for the Chimu Gold Plant, and the final submission is expected by the end of October, for the expanded 120 tons per day approval.



***Photo 4 & 5: “View of Chimu Gold Plant, Southern Peru, looking (4) North East & (5) Preliminary work for the new Tailings Dam Facility”***

Following the recent signing of the Term Sheet to acquire the Hanai Gold Mine, & the Burpar concessions, a sampling program has commenced in conjunction with our Peruvian Geologist. A second site visit to continue the works program commenced on October 20th. The results of this sampling and further Geological assessment will assist in the mapping of the project, and in identifying suitable drill targets for later exploration work.

The Chimu Plant Purchase is now complete, with title in all Plant and associated assets transferred to Ozinca Peru SAC (our 100% wholly owned subsidiary).

Ozinca Peru SAC has recently completed the detailed construction drawings for all the buildings, as well as negotiating final prices in order for construction to commence – orders have been completed and will be issued in the coming weeks. It is expected that all the earthworks for these buildings can commence immediately thereafter.

Generally, the firm price quotations for all Plant & Equipment continue to be within the parameters of the original budgets, and we expect that this pattern will not change.

The company maintains its endeavours with the opportunity to extend a nearby transmission line which will provide substantial power savings compared to the diesel generators that are currently in situ. We are also pursuing power generation options with the use of wind turbines.



**Figure 6: “Chimu Chemical Laboratory – looking West. The site of the Plant Medical Post is to the left”**

### **Hanai Gold Mine & the Burpar Gold Concessions**

The Hanai Gold Mine & Burpar Gold Concessions comprises 1500 hectares and is highly prospective for the high-grade Gold vein deposits suitable for treatment at the Chimu Gold Plant. A surface sampling programme has commenced at Burpar, and a second visit is planned for late October in order to further develop the understanding of the Geological structures and continue with the sampling process.

### **Community & Environmental Issues**

We have now completed all aspects of the Environmental Impact Study and have received an approval from DREM – the Peruvian Mines Department. This process has greatly involved the local community in organized meetings and lengthy consultative workshops. These meetings have been invaluable in terms of establishing and fostering further binding relationships between Oakdale (Ozinca) and the local mining fraternity. Management has now met with the local Council & the Mayor of Relave, and Municipal licences have all been granted. The local community including the Mayor, are in full support of our activities, as we will be a consumer of local goods and services, and potentially a valuable source of employment for many of the town’s inhabitants.



**Figure 7: “Existing leach tanks: with accommodation block at rear left & Laboratory in the background:  
*Chimu Gold Plant*”**

The company is expecting to start infrastructure works in November – initially this will be for all the buildings and the new Tailings Dam – these are the longer lead time aspects of the total upgrade. The processing plant and equipment will follow with installations on site, expected to commence in December.

Ozinka management in Peru has started to spend an increasing amount of time in identifying and assessing other mining opportunities, in order to secure high grade & desirable source feed for our expanded processing facility.

#### **Graphite Project - Eyre Peninsula, South Australia**

The Company currently owns Exploration Leases covering over 750 km<sup>2</sup>.

No progress in the Quarter.

#### **Corporate**

Following the merger with Ozinka Australia Pty Ltd, as approved by shareholders on 6 March 2019, the Board of the Company was restructured as follows:

- Chris Gale was appointed Executive Chairman,
- John Lynch resigned as Managing Director and remains as a Non-Executive Director,
- Andrew Harrington and Graham White resigned, and
- David Vilensky was appointed as a Non-Executive Director.

In addition, the Company relocated its' registered and principal place of business from Brisbane to 32 Harrogate Street, West Leederville, Western Australia.

#### **Capital Raising – Share Purchase Plan and Placement of Shares**

Oakdale Resources Limited announced a partially underwritten Share Purchase Plan to raise the maximum amount permitted by the ASX Listing Rules via an offer of a maximum of 59,619,109 fully paid ordinary shares at an issue price per Share equal to a 15% discount to the volume weighted average price for Shares calculated over the last 5 days on which sales in Shares were recorded before the day the issue was made.

#### **Placement of Shares**

The Company also undertook a capital raising by a placement of shares to professional and sophisticated investors (Placement) and issue up to 150,000,000 Shares together with 1 free attaching Option for every 2 Shares subscribed for, to raise up to \$1,500,000 under the Placement.

The Company engaged the services of PAC Partners Securities Pty Ltd and with whom it entered into a lead manager mandate in respect of the Capital Raising whereby PAC Partners will act as Lead Manager.

#### **For further information please contact:**

Chris Gale  
Executive Chairman  
Oakdale Resources  
P: +61 8 6117 4797

Peter Taylor  
Investor Relations  
NWR Communications.  
P: +61 412 036 231

**ANNEXURE A****MINING TENEMENTS INFORMATION FOR THE QUARTER ENDING ON 30 SEPTEMBER 2019**

<b>Project</b>	<b>Tenement. No.</b>	<b>Interest at start</b>	<b>Interest at end</b>	<b>Location</b>	<b>Acquired</b>	<b>Disposed</b>
<b>Central Eyre Peninsula Project</b>						
Brimpton Lake	EL 5721	100%	100%	South Australia		
Kapinnie	EL 5454	100%	100%	South Australia		
Mt Hope	EL 5637	100%	100%	South Australia		
Sheringa	EL 5455	100%	100%	South Australia		



## **About Oakdale Resources Limited**

*Oakdale is actively pursuing Exploration, Mining & Processing opportunities in North & South America. The Company has recently signed an Option to secure 165 Mining Claims, over 3 highly prospective locations, in the mineral rich areas of Southern Nevada, USA.*

*In addition, the Company is the owner and soon to be operator, of a CIP Gold lixiviation plant in Southern Peru, and holds this asset and associated licences through its 100% owned Peruvian subsidiary, Ozinca Peru SAC.*

*The plant is strategically located in a highly mineralised area, with small miners in the immediate vicinity, all of whom are potential customers for our processing business.*

*The Company intends to secure supply contracts with many of these miners as source feed for its Chimu Gold Plant. In the longer term, ownership of a Gold Mine will provide secure and regular feed for increased capacity as a result of successive plant upgrades.*

## **Competent person statement**

*The information in this Announcement for Oakdale Resources Limited was compiled on Alpine Resources projects by Mr. Geoff Balfe, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Geoff Balfe is a director and a shareholder of Alpine Resources (USA) Pty Ltd. Geoff Balfe has sufficient experience, which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity to which he is undertaking to qualify as a "Competent Person" as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Geoff Balfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*