

# OAKDALE RESOURCES LIMITED

ACN 009 118 861

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019**

### **HIGHLIGHTS**

#### **Nevada**

- Drilling at Tonopah North commenced 30 October 2019;
- Inverted Polarisation (IP) survey undertaken at Lambarson Canyon, indicating presence of a shallow chargeable and resistive anomaly from separate Pole-dipole arrays conducted on site

#### **Peru**

- All permits and applications now transferred to Ozinca Peru SAC for the Chimu Gold Plant and publication complete for issue of Beneficiation Concession. Construction permit for major infrastructure work has been obtained for the Stage 1 upgrade.

#### **Corporate**

- Annual General Meeting (AGM) held on 28 November 2019; all resolutions carried

### **Summary**

Oakdale Resources Limited (ASX: OAR) ("Oakdale" or "the Company") provides the quarterly report for December 2019.

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

## **OAKDALE OPERATIONS**

### **Nevada – USA**

#### **Tonopah North**

On 1 October 2019, Oakdale announced that it had received the drill permit to commence drilling on the Tonopah North project.

Drilling at the Tonopah North project commenced on 30 October 2019, with up to four initial drill holes planned for a total of 900m, targeting structurally controlled epithermal gold mineralization in Tertiary andesite rocks.

#### **Results – TND-01**

Assay results from TND-01 indicated no significant gold or silver values. The drill hole was stopped at 152m after testing a wide zone of fractured andesite. Some of the more intense fracture zones can be correlated with surface gold workings but the lack of quartz veining over these intervals is interpreted as the reason for the low gold values in the drill core.

TND-01 was drilled at the southern end of the targeted structural corridor which is over 1.2 km in total strike length and it comprises multiple structures with many old gold prospect pits along them.

#### **Results – TND-02**

TND-02 is testing the central part of the 1.2km strike length structural corridor. The host rock is Mizpah Andesite which is the host to silver-gold mineralisation in the central Tonopah area. The Mizpah Andesite undergoes brittle fracturing during deformation, and it has the potential to produce wide quartz-filled zones of vein style gold-silver mineralisation. The Company remains confident that if quartz veining is hit in the main structural target zone there is more potential for gold mineralisation.

#### **DRILL HOLE COORDINATES (holes completed or in progress)**

Hole No.	mEast	mNorth	Elevation	Inclination	Azimuth	Final Depth
TND-01	481,640	4,219,262	1612	-50°	270°	152m
TND-02	481,183	4,219,525	1600	-55°	058°	300m*

\*In progress (all coordinates in NAD83 Zone 11 UTM)

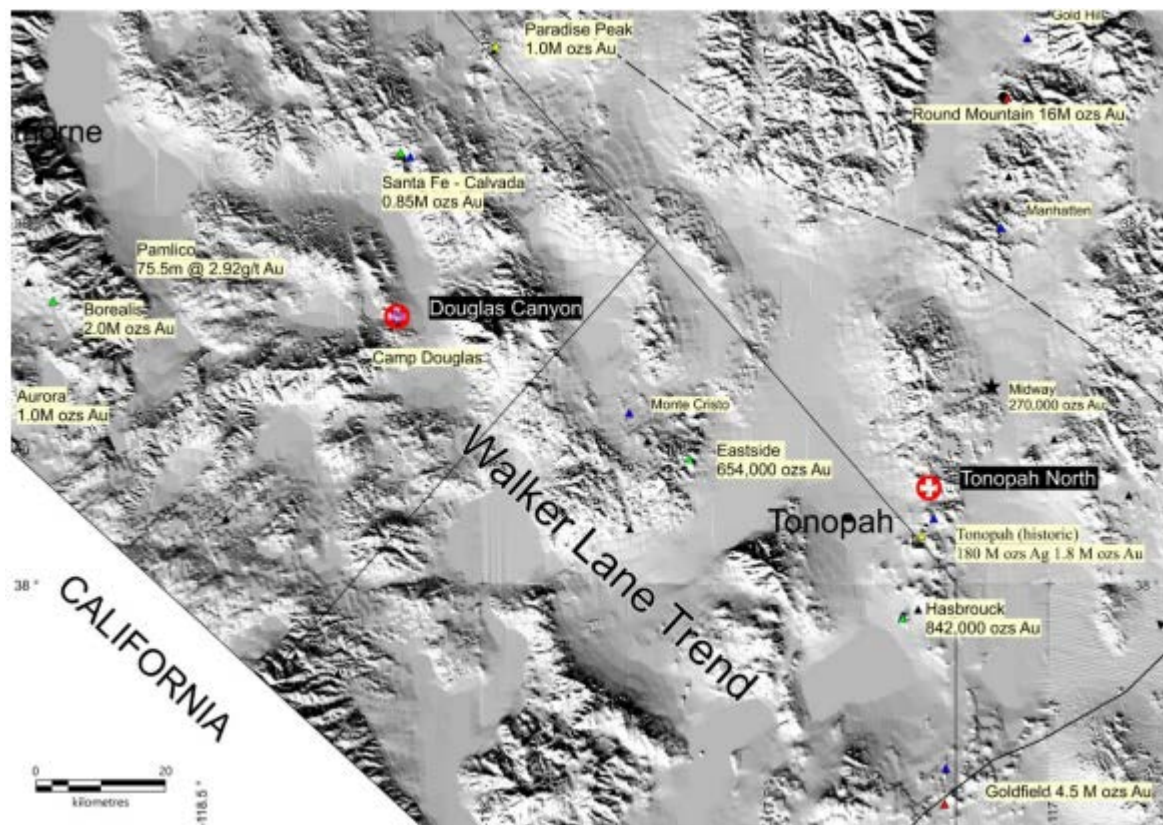
#### **Plans**

Following completion of TND-02, Oakdale will evaluate progress from assays at Tonopah North to determine if further drilling is warranted at Tonopah.

## **About Tonopah North**

Tonopah North project is located 5 km north of the historic silver and gold mining town of Tonopah with historic production of 180 million ounces of silver and 1.8 million ounces of gold. Tonopah North is hosted by the same stratigraphy as at the historic Tonopah mine (Mizpah Andesite). Figure 1 shows the major structures that have been mapped on the property and the gold sample results that are derived from sampling the mine dumps that occur along the structures.

Two target areas are defined: The northern zone which is the target for TND-02 and the southern zone which was the target for TND-01. The southern zone is seen as a shallow stockwork target with potential for a bulk tonnage style of gold mineralisation. The two target areas are interpreted to be the same structural corridor with an apparent separation due only to an area of poor outcrop.



***Figure 1: Location of the Tonopah Gold Project and other mines/prospects***

## **Lambarson Canyon**

On 9 December 2019, Oakdale announced that an Inverted Polarisation (IP) survey carried out around the vicinity of the Lambarson Canyon Project in East Pershing County, Nevada.

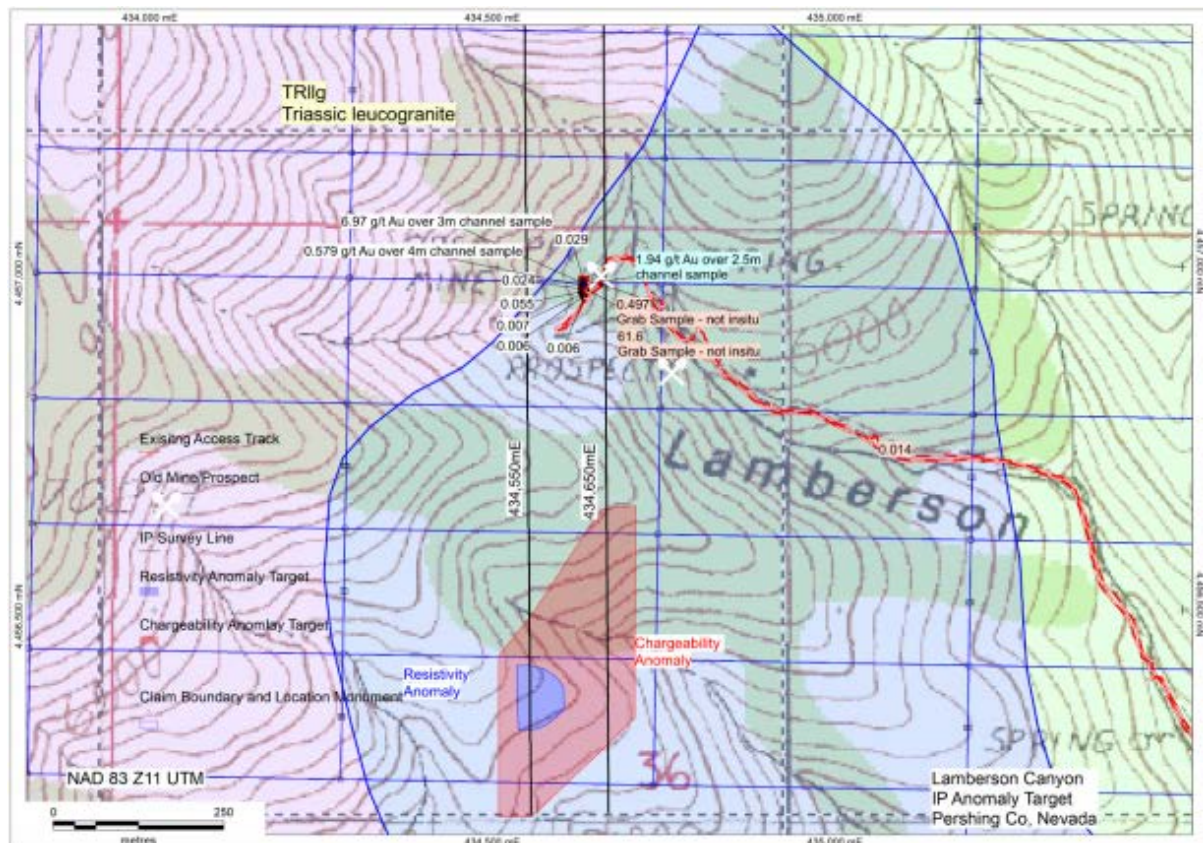
Lambarson Canyon is one of several targets within Oakdale's tenement package in Nevada which has been selected specifically for its high potential nature and historical success.

The project is in proximity to the 80m oz Battle Mountain mining district, which is typically a disseminated mineralisation-style of gold deposit. Proximity to granitic intrusions and porphyries are key attributes to the targets identified by Oakdale's IP survey and many of the large gold deposits in this Nevada region.

Furthermore, the target identified by the survey is central to the highest-rate gold production in the United States.

Results indicate a shallow chargeable and resistive anomaly 300m south of the outcropping gold mineralisation.

Two separate Pole-dipole (2DIP, n=10) arrays were completed at Lambarson Canyon. The arrays were read South-North consisting of a single receiver in-line with the transmitter that followed 50m behind. Electrodes had a 50m separation and the lines were gridded using the NAD83 datum.

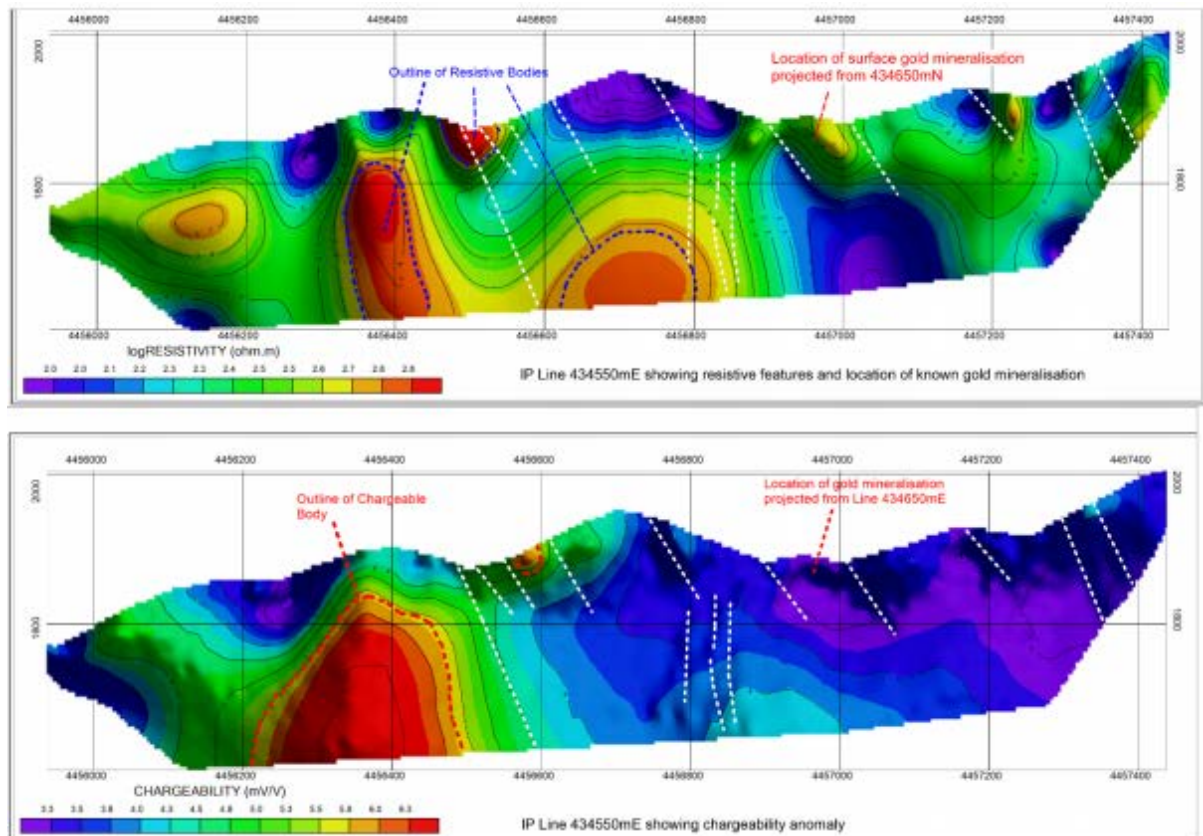


**Figure 2: 2D IP Survey Lines 434,550mN and 434,650mN showing surface projection of the IP anomaly (note: gold sample results previously disclosed in ASX release of 26 July, 2019)**

Chargeability anomalies may be caused by disseminated sulphides within a generally resistive rock, such as a porphyry intrusion. In the Lambarson Canyon area there are a number of porphyry type intrusions including a Triassic age granite to the west and a Tertiary age rhyolite porphyry to the east. The prospect area is located between these two intrusions. It is therefore interpreted that the IP response may be due to disseminated sulphides in a porphyry intrusion at shallow depth.

The anomaly is open to the east and to the west. In addition to this combined chargeability-resistivity anomaly there are a number of potentially important structures that are indicated in proximity to the gold prospect.





**Figure 3: IP Chargeability and Resistivity Sections for Line 434550mE (sections looking west)**

The area in which the IP anomaly and the gold prospect occur is dominated by volcanic rocks of the Permian Havallah Group. This is the same host rock that occurs at Trenton Canyon, Marigold and the Cove-McCoy gold deposits in northern Nevada.

In light of the recent positive IP survey results Oakdale has decided to prioritise drilling at Lambarson Canyon ahead of Douglas Canyon (in southern Nevada). As such the drill rig will demobilise from the Tonopah North property on completion of the program there but it can be engaged for the drilling at Lambarson Canyon. A Spring drilling program would likely commence in late March or early April, following the completion of permitting procedures.

### Plans

Geophysical (Induced Polarisation) surveys are planned. Fieldwork will recommence at Lambarson Canyon post-reporting period with the objective of permitting a drilling program ready for implementation in April 2020. This drilling will be designed to test the outcropping gold mineralisation and the targets generated by the recent Induced Polarisation survey (ASX release 9 December 2019).

### Douglas Canyon

Permitting of this project is currently under way;

### Chimu Gold Plant – Peru, South America

On 1 October 2019, Oakdale advised that the licensing and permitting process at Chimu was completed, including Environmental Impact Study (EIS), the Technical Study for the construction of the new Tailings Dam. The Company has executed a new lease for the land on which houses the plant. The upgrade work has commenced on the plant to commence gold processing operations.

The initial work will be focused on the Tailings Dam, the Weighbridge and the very substantial Ball Mill slabs and footings.

Through the design phase, the Company identified significant cost and time savings. Price quotations for all Plant & Equipment continue to be within the parameters of the original budgets, and this pattern is expected to continue.

All previously held permits and licence applications which were in the vendors' name (Minera Aurifera Chimu) have now been transferred to Ozinca Peru SAC, our wholly owned subsidiary in Peru. The licensing and permitting process is complete, save for time expiry on newspaper advertising and the issue of the Stage 2 Building Licence (to 120 tonnes per day). The Detailed Engineering Study revealed some Tailings Dam and water supply issues, which are now resolved by increased well capacity and flow rates – the Tailings Dam has been modified to comply with published drawings and the partially approved application.

All the data and associated reports of the Detailed Engineering Study have now been uploaded onto the Mines Department ( DREM ) Extranet facility – newspaper advertising has been done, and the final step in the entire permitting operation is the application for, and issue of, the 120 tonne per day building licence – this process is expected to be completed shortly.

It was deemed prudent, through the findings of the Detailed Engineering Reports, that the water supply well be increased in depth & diameter to ensure adequate rates of supply. Quotes have been obtained for this work, and progress will ensue once the Plant upgrade works commence.

Land purchase negotiations with the Chaipi Community continue to progress well, and a final sale contract is expected to be executed in the coming months. The land parcel will be stepped up to 72 hectares, which is much more than the current leasehold area of 20 hectares.



**Photo 1: “Haul Road entrance to existing Chimu Gold Plant”**

### Hanai Gold Mine & the Burpar Gold Concessions

In relation to the Hanai Gold Mine, & the Burpar concessions, and following the detailed work, field trips and sampling on site, our Due Diligence revealed that the project did not fit our acquisition strategy and exploration criteria, and it was therefore decided to relinquish the properties, and not to carry out any further work. The owners have been notified and no fees are payable as a result of this action.

### **COMMUNITY & ENVIRONMENTAL ISSUES**

Intrinsic to the whole approvals and permitting process, is the core acceptance by local communities and compliance with legislative bodies. The Company continues to organise and attend various Community 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. 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 local towns' inhabitants.



***Photo 2: “Leach tanks, ball mill & Switch-room: with accommodation block & Laboratory in the background: Chimu Gold Plant”***

Oakdale management in Peru continues to spend an increasing amount of time in recognising and assessing other mining opportunities. Identifying and securing regular sources and grades of feed material, is fundamental to maximising plant operational consistencies and efficiencies.

### Graphite Project - Eyre Peninsula, South Australia

No progress during the quarter.

### Bramfield Iron Ore project, South Australia

The Oakdale Resources management has recently reviewed its projects in South Australia that were explored and drilled by its 100% owned subsidiary Lymex Limited. The company believes the Bramfield Iron ore project could prove to be an attractive proposition for either an outright sale or joint venture taking into account current Iron Ore prices. It is the intention that Oakdale put the project out for Registration of Interest over the next month.

Bramfield is a coarse grade magnetite iron deposit that had significant exploration work including drilling carried out by Oakdale in 2014/15. The project is 9km from Anxious Bay near the township of Elliston and ~170 km from Port Lincoln (via sealed highway)

- A reconnaissance diamond drill-hole to test the western contact of the iron formation returned 37.8m @ 40.4% Fe with low P (865ppm).
- A large magnetic anomaly in excess of 2,500m in length is confirmed by a low level heli-magnetics survey.
- Preliminary metallurgical test work suggests excellent metallurgical properties with low Al, P, S and Si in the concentrate.
- The concentrate would contain ~ 68% Fe.
- The mineralisation is capped by goethite-hematite which would contribute a significant high-grade component to the project.
- Magnetite is replaced by goethite and hematite in this supergene weathering zone upgrading the deposit.
- Good metallurgy with a secondary product (hedenbergite) that will value add to the project. Very low P, S, Al and Si in the concentrate
- Close to the coast (~9km), the major Ceduna to Port Lincoln highway and the township of Elliston

## **CORPORATE**

### Annual General Meeting

In accordance with ASX Listing Rule 3.13.2 and section 251AA of the Corporations Act, the Directors of Oakdale Resources Limited are pleased to advise the following poll results at the 2019 Annual General Meeting of Shareholders held on 28 November 2019.



		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Adoption of Remuneration Report	57,368,100	21,085	41,519,880
Resolution 2	Appointment of Auditor	98,909,065	-	-
Resolution 3	Re-election of Mr John Lynch as a Director	72,576,837	-	26,332,228
Resolution 4	Amendment to Constitution	98,887,980	21,085	-
Resolution 5	Ratification of prior shares issued for working capital	98,887,980	21,085	-
Resolution 6	Ratification of 5,776,637 shares issued on conversion of convertible notes	98,887,980	21,085	-
Resolution 7	Ratification of 5,312,869 shares issued on conversion of convertible notes	98,887,980	21,085	-
Resolution 8	Ratification of 6,009,615 shares issued on conversion of convertible notes	98,887,980	21,085	-
Resolution 9	Ratification of 20,242,213 shares issued on conversion of convertible notes	98,887,980	21,085	-
Resolution 10	Ratification of 2,883,506 shares issued on conversion of convertible notes	98,887,980	21,085	-
Resolution 11	Ratification of 10,917,031 shares issued on conversion of convertible notes	98,887,980	21,085	-
Resolution 12	Issue of shares to David Vilensky in lieu of Directors Fees	97,277,760	21,085	1,610,220
Resolution 13	Issue of shares to John Lynch in lieu of Loan Repayments	72,576,837	-	26,332,228
Resolution 14	Issue of shares to Andrew Knowles in lieu of Consulting Fees	66,704,673	-	32,204,392
Resolution 15	Issue of shares to Ventnor Capital Pty Ltd	98,887,980	21,085	-
Resolution 16	Approval for issue of shares	98,887,980	21,085	-
Resolution 17	Approval for Additional Placement Capacity	98,887,980	21,085	-

Each of the resolutions put to the 2019 Annual General Meeting of the Company held on 28 November 2019 was passed by the requisite majority.

### Cash

As at 31 December 2019, the Company had \$544,000 in cash.

**For further information please contact:**

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**About Oakdale Resources Limited**

***Oakdale Resources** is an ASX listed junior explorer and aspiring gold producer. Oakdale has recently signed an option agreement to 100% acquire Alpine Resources controls three gold exploration projects in the highly prospective gold province of Nevada, United States, also ranked the third best mining jurisdiction in the world. The three projects are in an area that hosts several multi-million-ounce deposits. Oakdale will fund Alpine's exploration strategy to discover and define a gold resource. The Company, through its 100% owned Peruvian subsidiary Ozinca Peru SAC, is also the owner of a CIP Gold lixiviation plant in Southern Peru. The plant is strategically located in a highly mineralised area, with thousands of small gold miners in the immediate vicinity, all of whom are potential customers for an Ozinca toll processing business.*

**Competent person statement**

*The information in this Announcement for Oakdale Resources Limited on Alpine Resources projects was compiled 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.*

*The information in this Announcement for Oakdale Resources Limited was compiled by Mr. John Lynch, a Competent Person, who is a member of the Australasian Institute of Geoscientists and Fellow of the Australasian Institute of Mining and Metallurgy. John Lynch 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.' John Lynch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*