

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD** **ENDING 31 MARCH 2020**

### **HIGHLIGHTS**

#### **Crown PGE-Nickel-Copper-Gold project – Yilgarn, WA (Subsequent Event)**

- The Crown PGE-Nickel-Copper Project is located circa 8km from Chalice Gold Mines (ASX: CHN) Julimar Complex and is contiguous with Chalice tenure that incorporates the growing discovery.
- Crown comprises a 93km<sup>2</sup> exploration license underlain by an extensive network of magnetic structures similar to those that host Julimar.
- The area, only 60-70km northeast of Perth, has been demonstrated by Chalice to be an entirely new PGE-Nickel-Copper province with the potential for multiple Julimar analogues and extensions.

#### **Nevada**

- Oakdale commences permitting for Lambarson Canyon underway – targeting core drilling program in June Quarter 2020
- Lambarson Canyon targets returned strong surface gold samples and encouraging IP survey results
- Tonopah North – Final assays received for TND-02

#### **Peru**

- Awaiting final approval to commence construction upgrade

#### **Corporate**

- Joseph van den Elsen appointed a Non-Executive Director
- Yugi Gouw appointed Company Secretary
- Convertible note expiry date extended until 31 July 2020
- Capital Raising

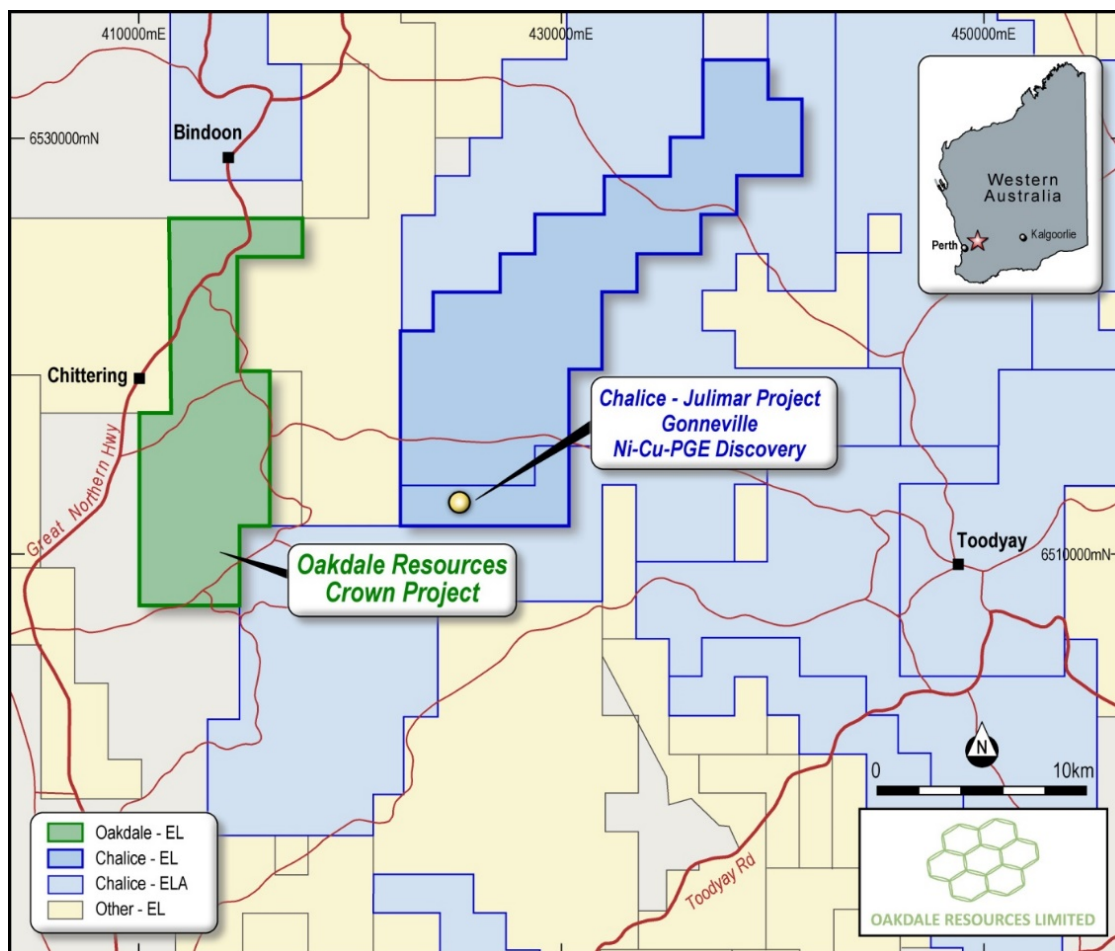
## **SUMMARY**

Oakdale Resources Limited (ASX: OAR) (“Oakdale” or “the Company”) provides its quarterly report for March 2020, with an update on its operations in Peru, North America and Australia.

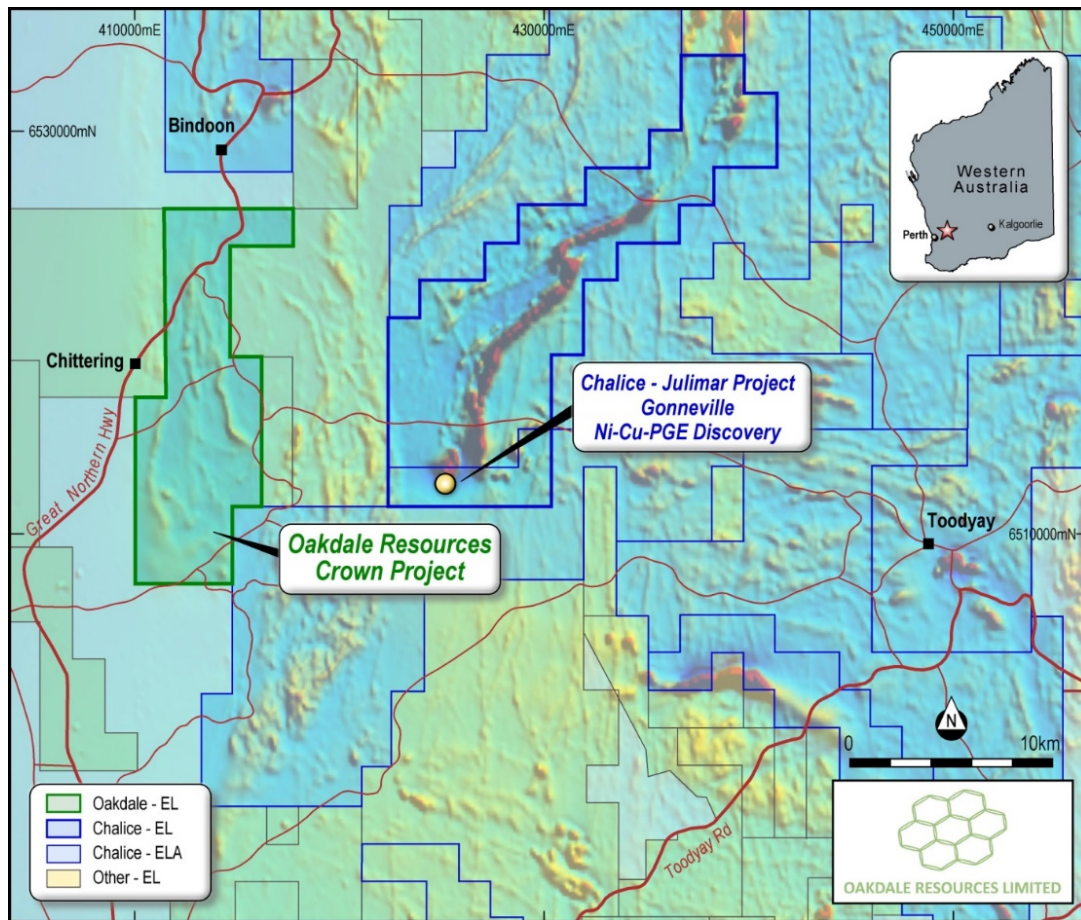
## **OAKDALE OPERATIONS**

### **Crown PGE-Nickel-Copper-Gold project – Yilgarn, WA (Subsequent Event)**

The Crown PGE-Nickel-Copper Project covers a series of prominent magnetic structures similar to and extending from the Chalice Gold Mine’s Julimar Complex, and which have not been drill tested. The map below (Figure 2) displays APM’s tenement (left) and its magnetic anomalism, and the Julimar tenement to the right with location of discovery hole marked.



**Figure 1: Location of Australian Precious Minerals tenement in relation to Chalice Gold Mine tenements**



**Figure 2: Crown PGE-Nickel Copper Project shown to the left of the Julimar discovery hole**

### Geological Setting Discussion

The Crown Project is situated less than 8km from the Julimar Discovery and adjoins Chalice tenure that is the site of Chalice's recent high grade, broad intervals of PGE-Nickel-Copper mineralisation.

The exploration project E70/5406 is currently under application and is expected to be granted within 12 weeks.

Crown lies within the western edge of the Yilgarn Craton. The basement geology is poorly explored and previously misunderstood, with the GSWA failing to identify the intrusive complex, instead having interpreted the Julimar site as granitic.

Chalice's broad PGE and nickel-copper intervals, which remain open in all directions, point to a regional scale discovery that may extend far beyond its initial lateral delineation, whilst geological analogues such as the Jinchuan Nickel Mine in China demonstrate what may be found beneath disseminated sulphide zones.

Considering the presence of analogous magnetic structures on trend from Julimar, the open nature of the Julimar Discovery, the close proximity to new high grade assays, and the absence of previous drilling, APM believes that Crown has potential to host an extension or repeat of a similar polymetallic orebody.

Following settlement of the acquisition, Oakdale will begin access discussions with landowners and conduct airborne and geochemical exploration.

These exploration initiatives will be designed to pinpoint the most prospects drill targets. Drilling will commence upon project grant and drill permits.

### **Acquisition Terms**

The acquisition of APM and the Crown Project will be settled through issuing the Vendors fully paid ordinary Oakdale shares as follows:

- 35,000,000 fully paid ordinary shares in Oakdale on receiving Oakdale's shareholder approval.
- 27,000,000 fully paid ordinary shares in Oakdale on the granting of the tenement application.
- 27,000,000 fully paid ordinary shares in Oakdale on the granting of the drilling program approval by the WA Mines Department.

### **Nevada – USA**

In February, Oakdale provided an update on a diamond core drilling program at its Tonopah North project in Nye County, Nevada, and plans for drilling at the Lambarson Canyon property in Pershing County, Nevada.

Final assays for Tonopah North hole TND-02 (up to 1.19 g/t Au received for interval 260m to 261.5m) indicated gold mineralisation associated with gold-in-quartz and proved the structural target, however results were not deemed indicative of sufficient grade or scope for an economic rationale for further follow-up exploration.

Following this, the Company determined to move to planned drill targets at the prospective Lambarson Canyon tenements, where induced polarisation (IP) survey results in conjunction with highly anomalous surface gold sample results, indicated potential for a gold mineralised system.

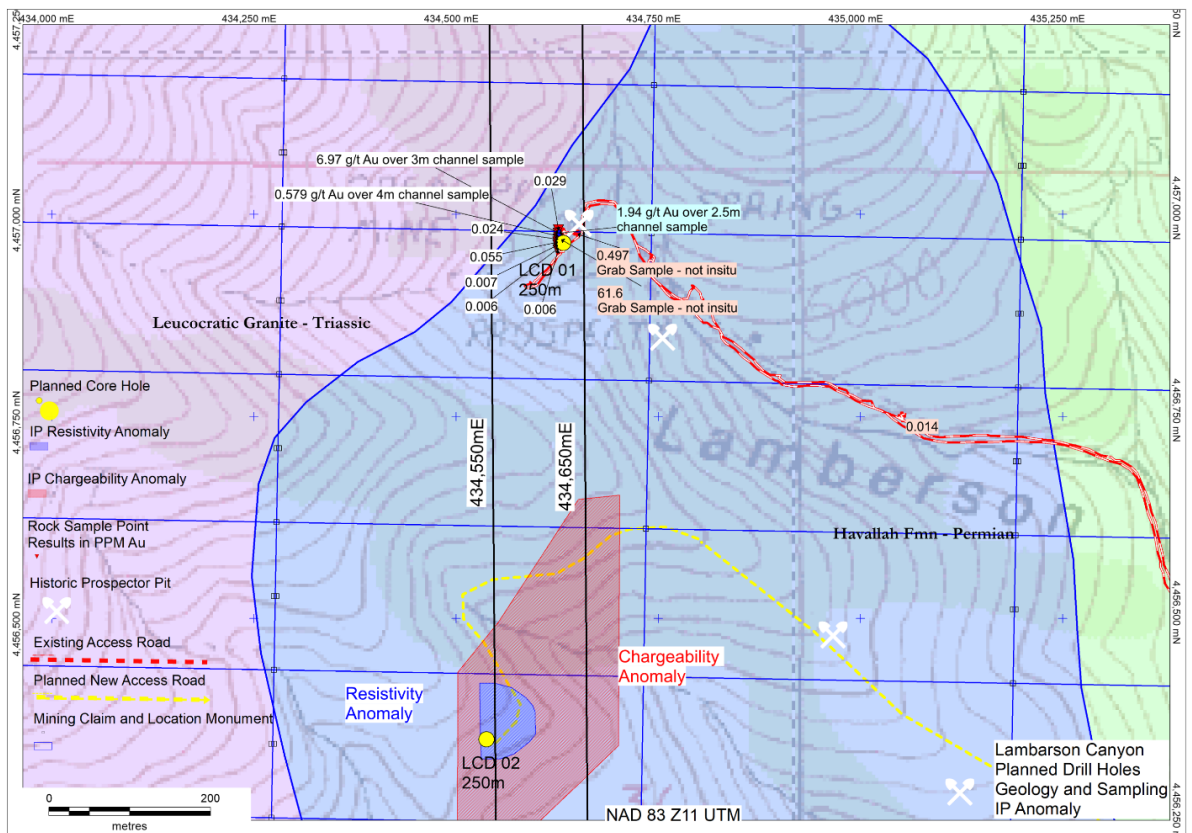
The Lambarson Canyon target has previous successful exploration results that warrant follow up and the board of Oakdale determined that priority focus should immediately move to progressing a drill program.

Oakdale's exploration team has visited Lambarson Canyon, planning access roads for a drill rig to reach site to drill an IP anomaly area and original target which produced anomalous gold samples.

#### **Lambarson Canyon Exploration Program**

Lambarson Canyon is located in eastern Pershing County, Nevada, approximately 70 miles south of Winnemucca by road. Plans for a core drilling program starting in the 2nd Quarter are progressing. As a result of the very encouraging Induced Polarisation (IP) survey results (ASX release 9 December 2019) the IP new anomaly area was visited and access roads have been planned that will enable a drill rig to get into that area, as well as the original target area where strongly anomalous gold samples were collected by the vendor Alpine Resources (USA) Pty Ltd (ASX release 27 June 2019). The permitting process is underway and the Company is confident that its Exploration Permit will be approved shortly.

Roadworks are planned to be underway in May so that drilling can commence in the 2nd Quarter CY2020.



**Figure 3: Lambarson Canyon – Planned Core Holes**  
(Refer to ASX Release 27 June, 2019 for full table of results, JORC Table 1.)

Oakdale is evaluating the Lambarson Canyon property using a porphyry or intrusion related model. The supporting evidence for this includes the presence of intrusive breccia in the original discovery area. The breccia consists of fragments of porphyry, volcanic country rock, and quartz veins in a chloritic matrix. This is the rock type associated with the high gold values shown in fig 2, above. The discovery of a previously unknown IP anomaly target in the southern part of the property comprising a combined Resistivity and Chargeability anomaly also supports a porphyry type or intrusion related target concept.

The Company is aware that some of the largest gold deposits in the Battle Mountain area, where the total gold endowment exceeds 80 million ounces, are intrusion related gold systems. In the Northern Battle Mountain area gold mineralisation may be hosted in the lower part of the Havallah Formation extending into the Golconda Thrust below and Palaeozoic lower plate rocks. Examples include the Lone Tree and Trenton Canyon deposits.

## **Peru, South America**

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

The Peruvian Presidential Decree which shut all the Peruvian borders (due to COVID-19) came into effect on 16th March, and a full lockdown has now been extended to 11th May – the Oakdale Peru office is now closed, and staff are working as best as they can from the home environment.

The company has previously stated in the December Quarterly, the documentation for the 120 tpd license upgrade to the Chimu plant has been finished and submitted to DREM (Mining Authority). The license is to be issued once the Mines Department returns to work and is able to process final approvals. The Hydrological study and submission for the expanded water permit has been completed, in order to increase the bore and depth of the existing well. The company has continued with identifying and talking with potential employees who will fill critical positions at Chimu once the building process begins. The Project schedule and timeline, with has been updated to include the lost time due to COVID-19. With adequate funding and timely permitting, plant commissioning could be achieved by December 2020.

## **CORPORATE**

### **Board and Management appointments**

In March, Oakdale announced the appointment of Joseph van den Elsen as a Non-Executive Director of the Company, with immediate effect.

Mr. van den Elsen has had extensive experience in South America. He is currently the Managing Director of CMN Mining, a privately held exploration and development company advancing a coal project in Colombia. Prior to joining CMN Mining, he held executive positions with MHM Metals and Hampshire Mining.

Previously, Mr. van den Elsen was an Associate Director with UBS and held a comparable position with Goldman Sachs JB Were. He holds a Bachelor of Laws, a Bachelor of Arts (Spanish) and a Graduate Diploma in Environment, Energy and Resources Law and is currently studying towards a Graduate Diploma in Mineral Exploration Geoscience and a Master of Science (Mineral Economics).

His appointment followed the resignation of John Lynch as Non-Executive Director to concentrate on his other business interests.

Oakdale appointed Yugi Gouw as Company Secretary in March, taking over the role from Hemant Amin, who retired effective 31 March 2020. Mr. Gouw has a Bachelor of Commerce from Curtin University, is a Certified Practising Accountant, and has a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

### **Extension of Convertible Notes**

In February, Oakdale advised that all existing convertible note holders in the Company had agreed to extend the expiry date of the convertible notes from 31 January 2020 to 31 July 2020. All other terms and conditions remained unchanged.



## **CAPITAL RAISING**

### **Share Placement and Rights Issue**

The Company is conducting a share placement to professional and sophisticated investors and launching a Rights Issue to raise capital for exploration, project development, working and other capital requirements.

The Placement will raise up to \$140,329 ("Placement") through placing 70,164,686 shares at an issue price of \$0.002 per share, with 1 free attaching listed options (OARO) for every 2 shares subscribed, with an expiry date 31 December 2021 and \$0.04 exercise price. The options will be issued subject to shareholder approval.

Oakdale will also offer existing shareholders a pro rata non-renounceable entitlement offer (Rights Issue) on the same terms as the Placement. The Company is currently finalising the terms of the Rights Issue and will announce the terms and timetable (including a record date) in due course. It is the intention of all Directors to take up all or part of their entitlement under the Rights Issue.

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

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

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

### **About Oakdale Resources Limited**

***Oakdale Resources** is an ASX listed precious metals explorer and aspiring producer. Oakdale recently signed an option agreement to acquire Alpine Resources, which controls three gold exploration projects in Nevada, USA. The projects are in a region that hosts several multi-million-ounce gold deposits. Oakdale's Peruvian subsidiary Ozinca Peru SAC, owns a CIP Gold lixiviation plant, strategically located proximal to thousands of small gold miners in Southern Peru. Oakdale has also entered into a binding term sheet to acquire Australian Precious Minerals Pty Ltd, holder of the Crown PGE-Nickel exploration asset in Western Australia. Crown adjoins the Julimar polymetallic discovery.*

### **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 that relates to Exploration Results and general project comments is based on information compiled by Nicholas Revell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Revell is a geologist consultant to Oakdale. Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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'. Mr. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



**Appendix 1: Mining Tenements as at 31 March 2020**

South Australia Tenement Schedule				
Exploration License No	Tenement Name	Registered Holder	Interest at Beginning of Qtr	Interest at End of Qtr
6394	Kapinnie	Lymex Tenements Pty Ltd	100%	100%
5637	Mt Hope	Lymex Tenements Pty Ltd	100%	100%
6393	Sheringa	Lymex Tenements Pty Ltd	100%	100%
5721	Brimpton Lake	Lymex Tenements Pty Ltd	100%	100%

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

OAKDALE RESOURCES LIMITED

ABN

27 009 118 861

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed) <sup>1</sup>	(16)	(39)
(b) development	(105)	(747)
(c) production	-	-
(d) staff costs	(23)	(85)
(e) administration and corporate costs	(150)	(626)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(20)	(54)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(314)</b>	<b>(1,551)</b>

<sup>1</sup> Exploration and evaluation expenditure year to date was also incurred in Nevada, USA. Refer to Item 2.5 - Alpine Purchase Options Cost.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(1)
(d) exploration & evaluation (if capitalised)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Alpine Purchase Option costs <sup>2</sup>	-	(731)
2.5	Other – Acquisition costs	-	(56)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(788)</b>

<sup>2</sup> Alpine Purchase Option Costs was used by Alpine Resources (USA) Pty Ltd for their exploration and evaluation in Nevada, USA which included drilling and geophysics activities in accordance with the Binding Option Term Sheet previously announced on 27 June 2019.

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,997
3.2	Proceeds from issue of convertible debt securities	-	950
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(54)	(292)
3.5	Proceeds from borrowings	140	756
3.6	Repayment of borrowings	(180)	(946)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(94)</b>	<b>2,465</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	544	10
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(314)	(1,551)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(788)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(94)	2,465
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>136</b>	<b>136</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	136	544
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>136</b>	<b>544</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
69
-

Director Remuneration - \$65,000

Admin services - \$4,000

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(314)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(314)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	136
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	136
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

No, the Group is reviewing ways to streamline its operation.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes, the Group has finalised a placement and in the process of finalising a pro-rata renounceable rights issue. The funds raised is expected to provide sufficient working capital for the next two quarters

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the Group expects to be able to continue its operations and meet its business objectives based on the responses detailed in section 2 above.

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.