

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD** **ENDING 30 JUNE 2020**

### **HIGHLIGHTS**

#### **Australia**

- Site visit completed to Crown PGE-Nickel-Copper Project, WA
- Discussions underway with landowners for access to land for mapping and rock chip sampling, followed by geochemical soil sampling

#### **Nevada**

- Lambarson Canyon Exploration Permit application submitted to Bureau of Land Management (BLM)
- Field trip to Lambarson Canyon carried out by contract geologist and driller/manager
- Quote received from Drilling companies and being evaluated
- A new IP survey to be conducted over targets

#### **Peru**

- The Peruvian authorities announced the extension of a nationwide state of emergency until the 31<sup>st</sup> July

### **CORPORATE**

- Entitlement Offer completed to raise \$1.4 million, with shortfall placement closing oversubscribed
- Funds allow Oakdale to design initial exploration program for Crown PGE-Nickel-Copper project as well as Nevada gold drilling and Peru Chimu gold project.

## **SUMMARY**

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

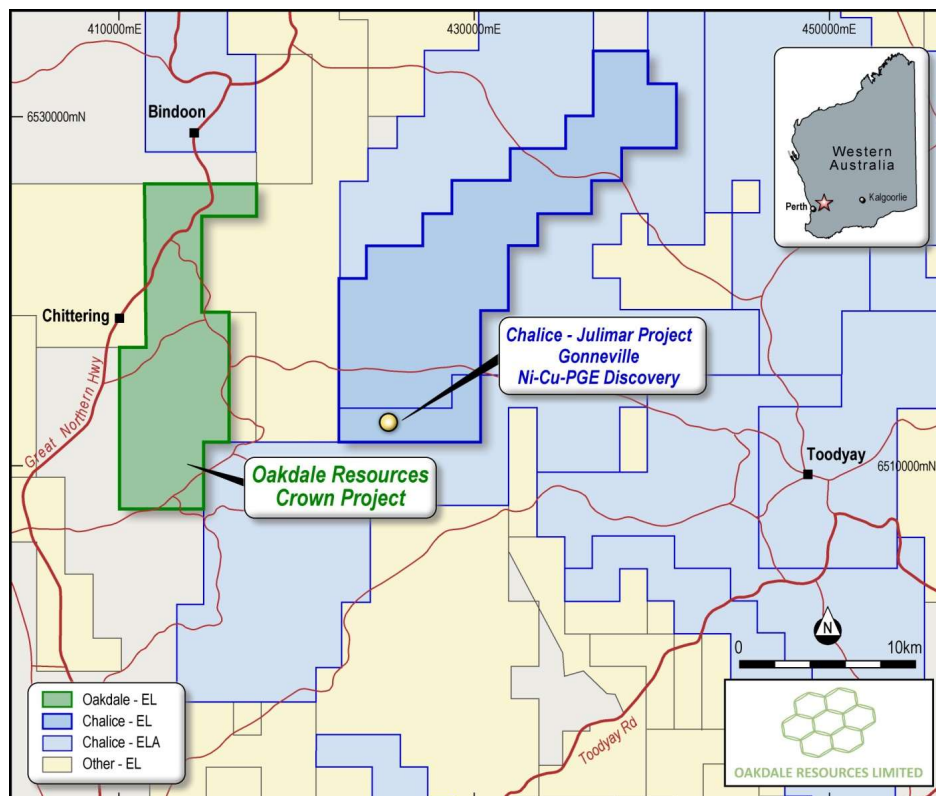
## **OAKDALE OPERATIONS**

### **Crown PGE-Nickel-Copper-Gold project – Yilgarn, WA**

As reported last quarter, in April, Oakdale announced it had executed a Binding Acquisition Agreement to acquire 100% of Australian Precious Minerals Pty Ltd (APM), holder of the Crown PGE-Nickel-Copper Project (Crown, the Project) held within the exploration asset E70/5406, located within the Yilgarn Craton and approximately 70km north east of Perth, Western Australia.

Tenement E70/5406 is situated 45 minutes from the Perth CBD in central Chittering and contains metamorphic rocks of the South West Greenstone Terrane.

The Crown PGE-Nickel-Copper Project covers a series of prominent magnetic structures similar to and extending from Chalice Gold Mine’s (ASX: CHN) Julimar Complex, and which have not been drill tested.

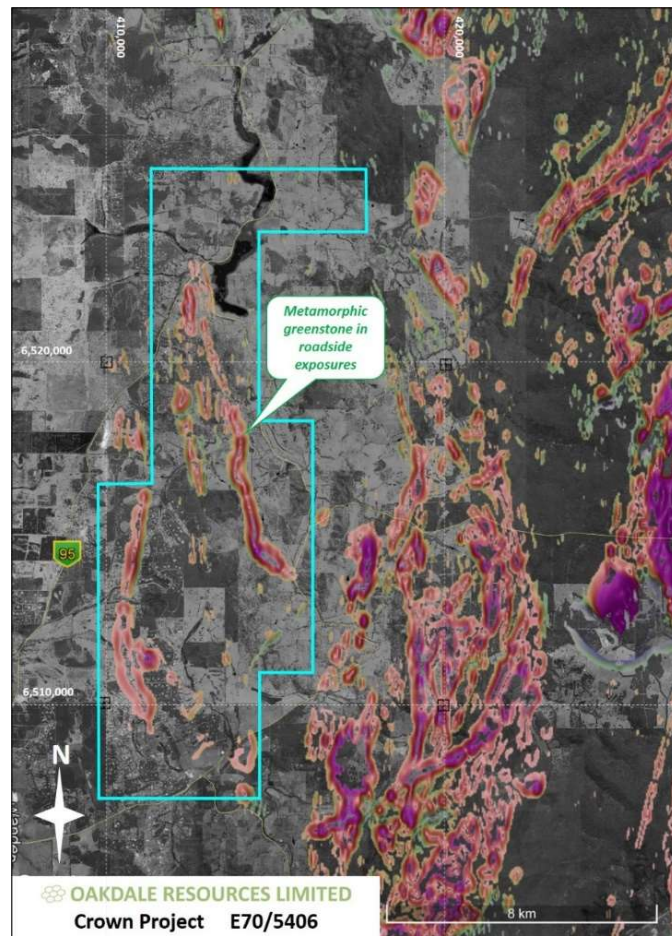


**Figure 1: Location of Australian Precious Minerals tenement in relation to Chalice Gold Mine tenements.**

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.

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.



**Figure 2: Magnetics over aerial with tenure.**

Oakdale completed a site visit to the project in May. Since executing its agreement with APM, Oakdale has begun work enhancing existing government geophysical data in the local area which exhibits a strongly magnetic response as seen in figures 2. The weaker responses are also of significant interest given the likelihood of reduced magnetism in contrast with increasing metamorphic alteration possible with closer proximity to the Darling Scarp.

Oakdale's initial site visit aimed to investigate land access and use in the area, with focus on the eastern most magnetic high based on the lower density of rural lots. Metamorphic rocks were observed in outcrop along Blue Plains Road and could be seen to continue into the adjacent property to the south coincident with the respective magnetic high.

Oakdale is contacting local landholders for discussions around property access for mapping and rock chip sampling, followed by geochemical soil sampling and perhaps drilling in the future.

The Company aims to identify geochemical soil anomalies that provide evidence of ultramafic sequences within and around the greenstones observed at roadside. These results will then guide the design of drilling to target potential host lithology and possible polymetallic massive sulphides, similar to the layered ultramafic intrusive discovered at Julimar to the east.

## **Nevada – USA**

### **Lambarson Canyon**

The Exploration Permit application for drilling has been lodged with the Nevada Bureau of Land Management (BLM). This starts the 15-day period within which the company must receive Notice from the BLM that the drill permit is in an acceptable form and it is being processed.

A preliminary exploration and drilling budget have been scoped out, and the company has received quotes from drilling companies. The company is evaluating the quotes and will be in a position to award the work over the coming weeks.

The merits of running a more detailed IP survey to define more accurate drill targets over the southern area has been discussed with Alpine. At present the anomaly is defined by two survey lines spaced 100m apart. The anomaly is open to the east and the west, likely improving in strength to the west. The new IP work is being quoted to extend the survey and making it a systematic grid-based survey to enable 3D modelling. The work will then be awarded on acceptance of quote, the IP survey would then take a few weeks to complete.

## **South America**

### **Chimu Gold Plant – Peru**

The Peruvian authorities announced the extension of a nationwide state of emergency until the 31<sup>st</sup> July therefore the Oakdale Peru office continues to remain closed, however staff continue to work from the home environment. The company is still awaiting approval from DREM (Mining Authority) for the 120 tpd upgrade license and the Building approval so Oakdale can commence construction of its plant. The Project schedule has obviously lost time due to the COVID-19 situation and hopefully once restrictions are lifted in Peru the permits will be approved and work can commence.

## **CORPORATE**

### **Entitlement Offer**

In May, Oakdale announced a non-renounceable pro rata offer (Entitlement Offer) to raise up to approximately \$1.40 million (before costs).

Eligible Shareholders could apply for 1 new share for every share held on the Record Date, at an issue price of \$0.002 per new share, together with 1 free attaching quoted option for every 2 new shares for which they subscribed.

Due to postage delivery delays, the closing date for the offer was extended from 25 May 2020 to 2 June 2020. Total consideration received from the Applications was \$896,918, equating to 64% take up by Eligible Shareholders. The Company placed the remaining Shortfall of \$505,382 due to strong investor demand, which was closed well oversubscribed. Total shares issued under the offer was 701,150,220.

Oakdale's Board and Management was very pleased with the response to its capital raising and entitlement offer and thanked shareholders for their support, especially given the current economic climate. Oakdale is now progressing activities at key projects such as the Lambarson Canyon gold drilling program in Nevada, the Peru Chimu Gold project, as well as assessment and design of initial exploration planning at the newly acquired Crown PGE-Cu-Ni-Au project in south Western Australia, 70km east of Perth.

### **General Meeting**

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.

A General Meeting of Oakdale Shareholders is scheduled for 30 July 2020 in Perth. A notice of meeting was lodged with the ASX on 24 June 2020 and can be viewed and downloaded at <https://www.oakdaleresources.com.au/asx-announcements>

Resolutions set out in the notice are as follows:

1. Approval to issue Consideration Shares
2. Ratification of prior issue of Placement Shares
3. Approval to issue Placement Options
4. Ratification of prior issues of Conversion Shares
5. Approval to issue Conversion Shares
6. Replacement of Constitution
7. Approval of Incentive Plan
8. Approval of Non-Executive Director Deferred Rights Plan.

Due to the ongoing COVID-19 pandemic and strict limitations on physical attendance, the Company will ensure attendance in person is in adherence to COVID-19 protocols including social distancing requirements and limiting non-shareholder visitors. If the situation in relation to COVID-19 were to change in a way that affects the Company's ability to facilitate an in-person meeting as currently proposed, the Company will provide an update.

### Cash

As at 30 June 2020, the Company had \$1.34 million in cash.

**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 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 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 30 June 2020**

<b>South Australia Tenement Schedule</b>				
<b>Exploration License No</b>	<b>Tenement Name</b>	<b>Registered Holder</b>	<b>Interest at Beginning of Qtr</b>	<b>Interest at End of Qtr</b>
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%
ELA 2020/00021*	Gibraltar	Lymex Tenements Pty Ltd	-%	-%
<b>Western Australia Tenement Schedule</b>				
<b>Exploration License No</b>	<b>Tenement Name</b>	<b>Registered Holder</b>	<b>Interest at Beginning of Qtr</b>	<b>Interest at End of Qtr</b>
E70/5406*	Crown	Australian Precious Minerals Pty Ltd	-%	-%

\*Exploration License in application



## 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")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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>	(19)	(58)
(b) development	(79)	(826)
(c) production	-	-
(d) staff costs	(52)	(137)
(e) administration and corporate costs	(66)	(692)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(14)	(68)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	10	10
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(220)</b>	<b>(1,771)</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)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(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>	(30)	(761)
2.5	Other – Acquisition costs	-	(56)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(30)</b>	<b>(818)</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)	1,543	3,540
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	(85)	(377)
3.5	Proceeds from borrowings	80	836
3.6	Repayment of borrowings	(80)	(1,026)
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>1,458</b>	<b>3,923</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	136	10
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(220)	(1,771)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(818)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,458	3,923
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>1,344</b>	<b>1,344</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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,344	136
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>1,344</b>	<b>136</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
111
-

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

7. <b>Financing facilities</b>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>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)	(220)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(220)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,344
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,344
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	6

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?

N/A

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:

N/A

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:

N/A

## 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 July 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.