

\$4 million boost to exploration funding Marda exploration program underway

Highlights

- **Sale of non-core Marda tenements at Battler and British Hill for \$4 million cash**
 - **Commencement of exploration program aimed at expanding Marda gold resources**
 - **Funds becoming available for exploration of Manuka and Mt Boppy targets in NSW**
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Black Oak Minerals Ltd (ASX: **BOK**) has expedited the funding of its exploration programs through signing an agreement to divest non-core tenements relating to the Marda Project in Western Australia. The agreement will deliver \$4 million cash over the next 18-24 months, with \$125,000 received to date and including a further \$1.375 million due by 1 December 2015.

BOK has been positioning itself to fast track drilling of key gold targets in the Marda region of WA with a first phase RAB drilling program having commenced this week. A significant number of gold geochemical anomalies exist, generated from detailed targeting undertaken by the BOK team over the last few years.

Sale of Tenements at Battler and British Hill

BOK has been focussed on ways to supplement cash reserves to provide funds for investment in exploration. As a result of the ongoing divestment of non-core tenure in the Marda district, BOK received interest in the acquisition of its southern-most tenements in the Marda Project, known as Battler and British Hill.

Whilst included as part of the Marda Project, their distance from the proposed Marda Central treatment facility relegated the Battler and British Hill resources to high cost ounces, making these tenements economically marginal to the overall Marda development project (Figure 1).

BOK has now entered into an agreement with IMD Gold Mines Ltd ("IMD") for IMD to acquire 11 tenements across the Battler, British Hill and Parker Dome areas. This includes three mining leases at Battler and one at British Hill. These tenements are currently reported to contain 147koz Au mineral resources and 24koz Au ore reserves as shown in Table 1.

The sale agreement is structured to deliver BOK a total of \$4 million cash over the next 18-24 months. Payments are as follows:

- \$125,000 paid to date on agreement signing
- \$125,000 due on 13 October 2015
- \$1.25 million due on 1 December 2015
- \$1.5 million due 6 months after receipt by IMD of approval to mine
- \$0.5 million due six months following the previous payment
- \$0.5 million due six months following the previous payment



Completion of the transaction will be upon payment of the \$1.25 million due on 1 December 2015.

Prior to making the payment on 1 December 2015, IMD has an option to defer future payments with the impact of increasing the price from \$4 million to \$5.05 million cash plus a trailing 2% Net Smelter Royalty. If this option is invoked, completion of the transaction will be delayed until no later than 30 September 2016 upon payment of \$2 million. The remaining \$3 million cash consideration will be paid quarterly from the date the assets enter steady state production.

Funding Implications

In the recent refinancing negotiations with its partner TrailStone, BOK and TrailStone agreed that funds from asset sales such as this would be isolated for the specific purpose of investment in exploration activity. This provides BOK with an opportunity to fast track exploration initially focussing on Marda and in the near future its NSW Mt Boppy and Manuka projects.

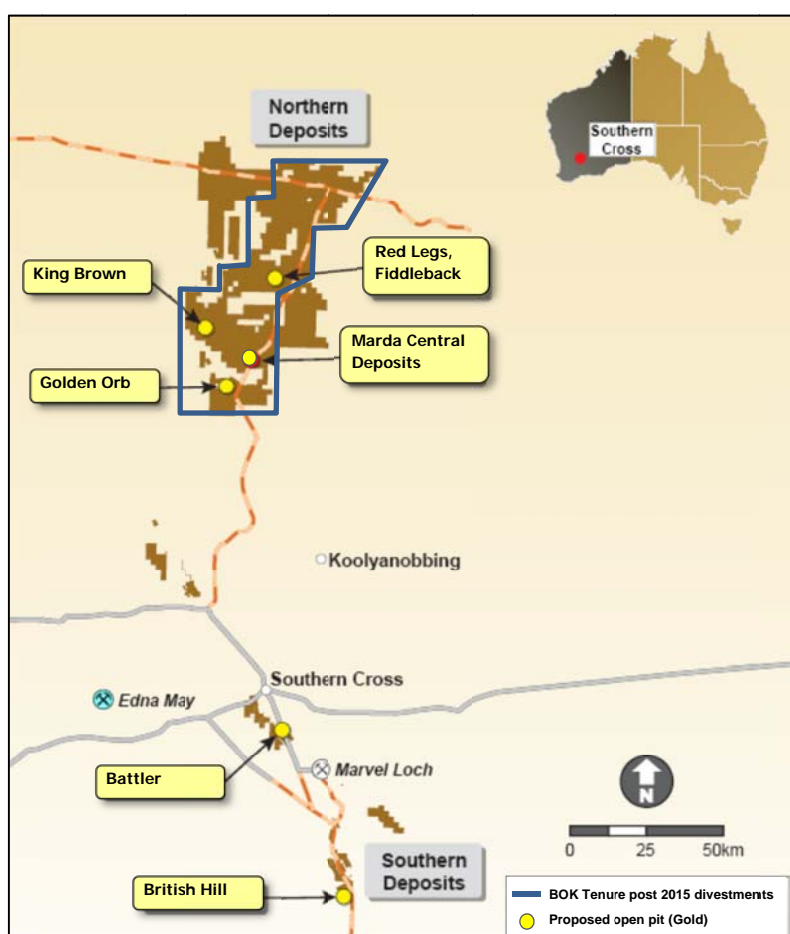


Figure 1: BOK's Marda gold project showing relative deposit locations

Marda Exploration Program

BOK currently holds a tenement package covering an area of approximately 1,096 km² in the Marda district of the Eastern Goldfields in WA. In keeping with its focus BOK has significantly reduced this package in recent months from an initial holding of around 1,700km² to a core area with the highest potential for adding additional gold resources within haulage distance of a development project at Marda Central.

Throughout a period of restricted exploration funding, BOK (and previously SXG) has been carrying out ongoing auger geochemical sampling and geological reconnaissance programs in order to provide a pipeline



of highly prospective targets. Numerous prospects on the Evanston Shear along with areas at King Brown, Windarling and Golden Orb now require RAB drill testing (Figure 2).

A first phase RAB drilling program of 5000m has now commenced which focuses on prospects located on the highly prospective and under explored Evanston Shear. Four prospect areas, namely White Pointer, Reef, Lancelot and Thresher are being tested which contain auger gold-in soil geochemical anomalies between 40ppb to >100ppb Au over strike lengths ranging from 500m to >1,500m. The program is expected to be completed within the next four weeks, including receipt of assay results.

Subject to the success of the first phase drilling, the next areas most likely to be targeted include King Brown and the Rattle trend at Golden Orb.

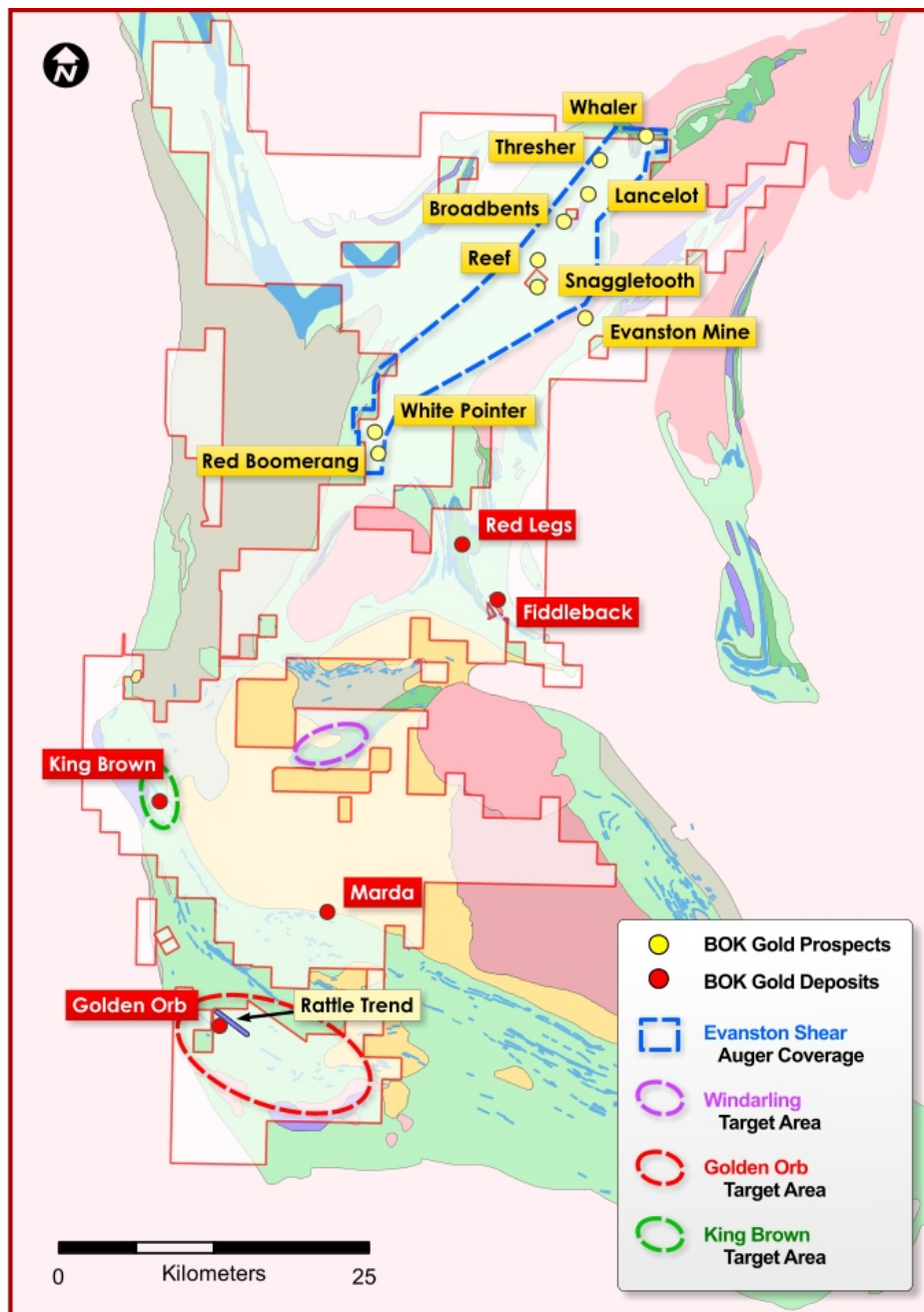


Figure 2: BOK's Marda gold deposits and Evanston Shear prospective targets



**Table 1 – Mineral Resources and Ore Reserves for the Marda Project
as reported at 30 June 2015**

Marda Project Resources

Deposit	Cut Off Grade (Au g/t)	Material	Measured			Indicated			Measured & Indicated			Inferred			Total		
			Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)
Dolly Pot	1	oxide	569	1.9	34	14	1.7	1	583	1.8	35	32	1.8	2	615	1.8	36
Dugite	1	oxide	294	1.9	18	8	1.5	<1	302	1.9	18	11	1.4	<1	312	1.9	19
King Brown	1	oxide	100	4.4	14	63	2.6	5	164	3.7	19	74	3.0	7	238	3.4	26
Golden Orb	1	oxide	416	3.0	40	103	2.0	7	519	2.8	47	176	1.8	10	694	2.5	57
Python	1	oxide	738	2.0	46	40	1.6	2	779	1.9	48	192	1.9	12	970	1.9	60
Goldstream	1	oxide	210	2.0	13	1	1.4	<1	211	1.9	13	1	1.3	<1	212	1.9	13
Red Legs	1	oxide	-	-	-	319	2.4	25	319	2.4	25	361	1.9	22	680	2.2	47
Die Hardy	1	oxide	-	-	-	983	1.5	47	983	1.5	47	589	1.5	28	1,572	1.5	75
Battler	1	oxide	361	2.7	31	39	3.5	4	401	2.8	36	52	3.5	6	453	2.9	42
British Hill	1	oxide	-	-	-	970	1.9	59	970	1.9	59	951	1.5	46	1,921	1.7	105
Project Total			2,688	2.3	197	2,542	1.8	149	5,230	2.1	346	2,437	1.7	133	7,668	1.9	480

Marda Project Reserves

Deposit	Cut Off Grade (Au g/t)	Proved			Probable			Total		
		Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)	Tonnes (kt)	Grade (Au g/t)	Ounces (Au koz)
Dolly Pot	0.80	370	1.7	21	0	1.2	0	371	1.8	21
Dugite	0.80	213	1.9	13	0	1.5	0	213	2.0	13
King Brown	0.88	87	4.5	13	12	2.7	1	99	4.5	14
Golden Orb	0.87	271	3.1	27	9	2.0	1	280	3.2	28
Python	0.80	552	1.9	34	3	1.4	0	555	2.0	34
Goldstream	0.80	86	2.4	7	0	0.0	0	86	2.5	7
Red Legs	0.90	0	0.0	0	163	2.9	15	163	3.1	15
Die Hardy	0.90	0	0.0	0	396	1.6	21	396	1.6	21
Battler	1.29	136	3.7	15	6	5.7	1	142	4.0	17
British Hill	1.52	0	0.0	0	71	2.9	7	71	4.6	7
Total		1,715	2.4	130	660	2.1	46	2,375	2.3	175

Additional disclosure

The information in this announcement that relates to exploration results, mineral resources and ore reserves at the Marda project is extracted from previous market announcements as listed below.

Announcement – “Quarterly Activities Report to 30 June 2015” released to ASX on 31 July 2015; available to view on www.asx.com.au.

Announcement – “2015 Resources and Reserves Update” released to ASX on 4 August 2015; available to view on www.asx.com.au.

The Company confirms that is not aware of any new information or data that materially affects the information included in the relevant market announcement and all material assumptions and technical parameters underpinning the estimates of mineral resources and ore reserves in the relevant market announcements shown above continue to apply and have not materially changed

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