OAKDALE RESOURCES LIMITED

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ASX ANNOUNCEMENT

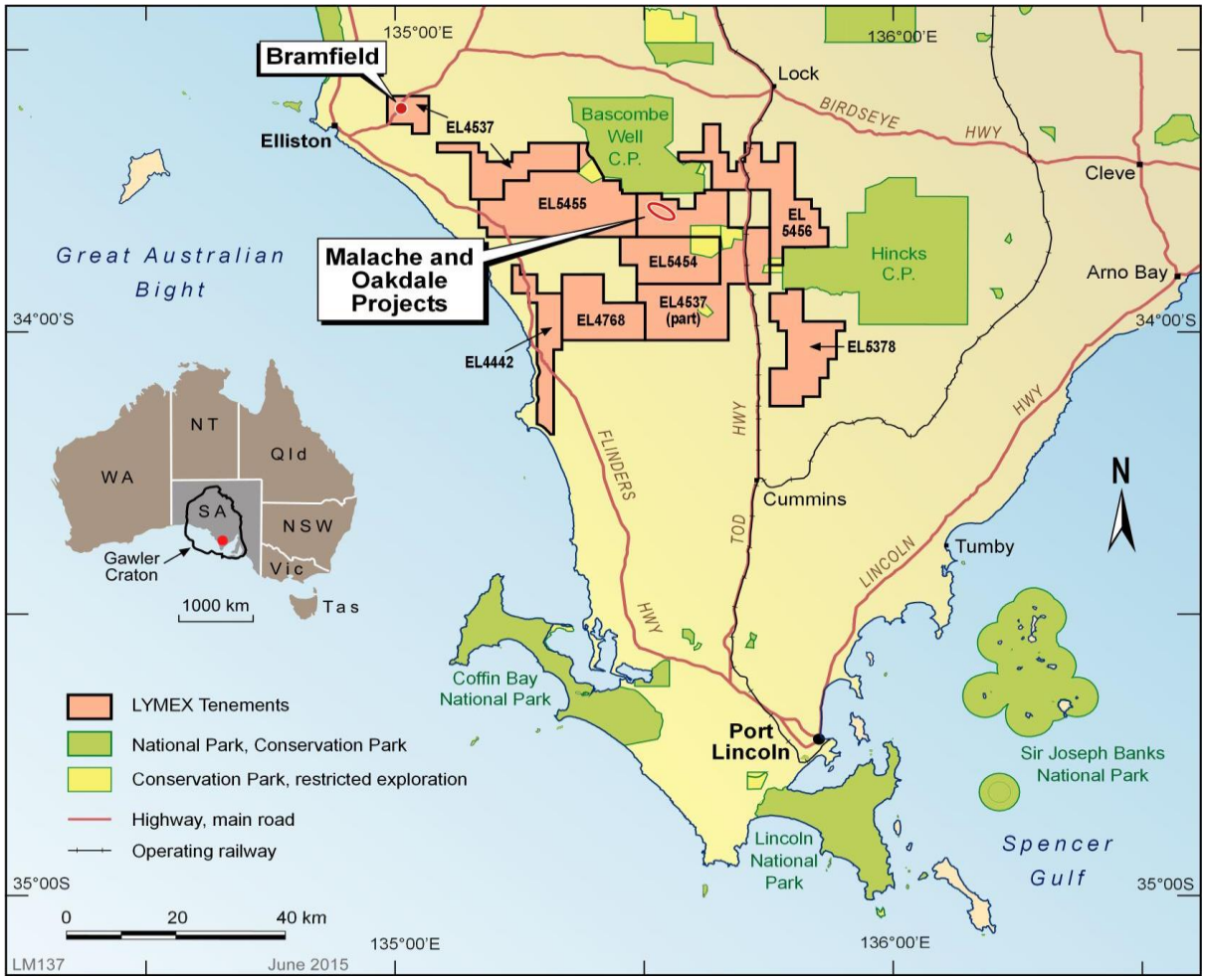
SEPTEMBER 2015 QUARTERLY ACTIVITIES REPORT

Highlights

- **Mineral Resource Estimates were reported for the Oakdale Project Area consisting of 6,220,000 tonnes at a grade of 4.8% TGC* cut-off within an overall saprolitic graphite resource of 13,450,000 tonnes of 3.3% TGC***
- **Aircore drilling completed at Oakdale and resource extended at Oakdale East**
- **Six additional metallurgical diamond drill holes completed at Oakdale and used to measure the Specific Gravity (SG) of the graphite mineralisation**
- **Metallurgical testwork continued at Bureau Veritas supplemented by additional work at ALS Metallurgy, Burnie, Tasmania**
- **Rehabilitation was completed for all drill holes and other disturbances.**

* Total Graphitic Carbon

Oakdale Resources Limited **(ASX Code: OAR)** is pleased to report on the results achieved in its ongoing evaluation of the Oakdale Graphite Project.



Ongoing Activities during the Quarter

Mineral Resources

- Mineral Resource Calculations were completed by Consulting Geologist Steve Sullivan from the Adelaide based Maptek for the Oakdale Project area and the partially drilled Oakdale East prospect.

- **Oakdale plus Oakdale East**

  - The total indicated and inferred mineral resource calculated within the two mineralised zones drilled to date at a 3% TGC* cut-off is 6,220,000 tonnes at a grade of 4.8% TGC within an overall saprolitic graphite resource of 13,450,000 tonnes of 3.3% TGC within the interpreted mineralised domains.

- **Oakdale Project Area**

  - 5,650,000 tonnes of 4.67% TGC at a cut-off grade of 3% TGC is contained in an overall indicated and inferred resource of 11,800,000 tonnes at 3.3% TGC within the interpreted mineralised domains.

- **Oakdale East Prospect Area (partially drilled and open to the east and west)**

  - 670,000 tonnes of 5.1% TGC at a cut-off of 3% TGC is contained in an overall inferred resource of 1,600,000 tonnes of 3.2% TGC within the interpreted mineralised domains.

- The mineral resources at Oakdale of 5,650,000 tonnes of 4.7% TGC reported above include 2,686,000 tonnes of indicated resources at the same grade of 4.7% TGC.

- The mineral resource is based upon a dry Specific Gravity (SG) of 1.8. The saprolitic graphite mineralisation will be damp so the in situ tonnages will be approximately 10% higher at the same grade.

Drilling

Six additional diamond drill holes were completed at Oakdale to obtain additional metallurgical samples, specific gravity determinations and coring of the overburden for mining engineering purposes. This will enable the Company to determine how readily the overburden can be mined. The overburden material appears to be readily rippable and easily mined. This is also reflected in other calcrete mining operations on Eyre Peninsula where the calcrete is mined for road base.

Total metreage drilled in 11 diamond drill holes completed at Oakdale was 603.5 metres. All holes have been sampled and despatched to Bureau Veritas for assay and further metallurgical testwork.

8 additional air core drill holes were completed at Oakdale since the last ASX release, infilling the central zone of the Oakdale Project. The total number of air core holes drilled to date at Oakdale is 288 totalling 16,643.5 metres.

2,480.5 metres of air core drill holes were drilled in 42 holes at Oakdale East to extend the known mineralisation 150m to the east and 150m to the west and the mineralisation is open in both directions.

Results received since the Company's last Quarterly Report are as follows:

OAKDALE

Hole No	From	To	Interval	TGC_%
OAC228	46	60	14	3.80
OAC230	25	28	3	6.12
	38	44	6	2.03
OAC231	44	55(EOH)	11	4.64
OAC234	34	50(EOH)	16	13.20
OAC235	25	56.5	31.5	4.42
OAC236	23	45	22	4.45
OAC237	23	39(EOH)	16	3.66
OAC238	24	41	17	7.95
incl	*24*	*33*	*9*	*11.20*
OAC239	26	34	8	1.60
	34	50.5(EOH)	16.5	8.99
incl	*44*	*49*	*5*	*15.22*
OAC240	24	37	13	3.95
OAC241	25	41(EOH)	16	4.61
OAC242	37	54(EOH)	17	3.78
OAC244	44	56.5(EOH)	12.5	3.64

OAC246	30	42	12	3.31
OAC247	38	48	10	5.13
OAC249	25	49	24	6.11
incl	*31*	*41*	*10*	*11.38*
OAC250	28	42	14	4.23
OAC251	26	54	28	4.73
OAC252	30	38	8	3.94
	48	52(EOH)	4	10.20
OAC253	31	41	10	6.89
	43	48	5	3.60
OAC254	36	57(EOH)	21	4.03
OAC256	39	51	12	3.53
OAC257	36	64	28	3.36
OAC261	33	73	40	3.21
OAC262	33	61	28	3.55
OAC263	30	66(EOH)	36	3.30
OAC265	27	56.5(EOH)	29.5	2.71
OAC295	28	48	20	2.69
OAC296	30	67(EOH)	37	3.28
incl	*46*	*52*	*6*	*7.70*
OAC297	26	57(EOH)	31	2.68
incl	*34*	*42*	*8*	*4.83*
OAC298	30	55.5(EOH)	25.5	7.85
incl	*44*	*52*	*8*	*13.15*
OAC301	37	51	14	4.30
incl	*41*	*51*	*10*	*5.44*
OAC302	27	58.5(EOH)	31.5	4.45
incl	*51*	*58.5(EOH)*	*7.5*	*6.58*
OAC305	30	39	9	5.27
	45	63(EOH)	18	2.40
incl	*55*	*63(EOH)*	*8*	*4.00*
OAC306	35	57	22	7.43
OAC307	35	59(EOH)	24	3.11
OAC311	38	66(EOH)	28	5.27
OAC312	28	36	8	4.20
	48	64	16	2.09
OAC313	26	28	2	8.45
	38	56	18	3.74
OAC314	28	44	16	4.34
	52	63(EOH)	11	7.16
OAC315	50	63(EOH)	13	2.54
OAC318	30	55.5(EOH)	25.5	3.73
incl	*42*	*48*	*6*	*8.12*
OAC319	48	63(EOH)	15	3.26
OAC321	31	57	26	3.87

OAKDALE EAST

Hole No	From	To	Interval	TGC_%
OAC268	35	45	10	5.03
OAC270	27	39	12	2.33
	63	66.5 (EOH)	3.5	4.48
OAC271	26	29	3	10.27
	53	61 (EOH)	8	5.96
OAC273	33	43	10	2.91
	49	55	6	4.80
OAC276	31	47	16	10.63
incl	*35*	*43*	*8*	*18.80*
	53	*61*	*8*	*2.38*
OAC277	42	62	20	4.41
incl	*54*	*60*	*6*	*9.30*
OAC283	41	49 (EOH)	8	3.27
OAC284	36	40	4	6.85
OAC285	31	33	2	2.80
	45	62 (EOH)	17	4.06
incl	45	51	6	6.97
OAC286	29	44 (EOH)	15	7.60
incl	*31*	*39*	*8*	*10.53*
OAC287	30	46 (EOH)	16	7.04
incl	*30*	*42*	*12*	*8.60*
OAC288	30	52 (EOH)	22	4.71
incl	*32*	*36*	*4*	*16.5*
Incl	*50*	*52 (EOH)*	*2*	*7.35*

Specific Gravity Determinations

421 dry and damp specific gravity (SG) determinations were completed and an average damp SG of 1.96 and a dry SG of 1.8 were calculated. Whilst the mineralised saprolite will be damp, the dry SG was used in the Ore Resource calculations as the viable dampness of the SG of 1.96 in the damp in situ graphite mineralisation would need to be quantified.

Metallurgy

Metallurgical studies continued at Bureau Veritas with an overview by Consultant Metallurgist, Nick Moony of Esker Milling and Processing Pty Ltd. This work has been done on four separate samples and has been described by Mr Moony as follows:

- The Oakdale saprolitic graphite mineralisation is a very simple ore metallurgically and there is a good indication on the samples tested, that at least 60% of the ore can be rejected at 90% passing ≈1,200µm for less than a 15% TGC loss, this involves both pre concentration & desliming. This will be very cost effective in the recovery process, removing essentially waste material prior to the flotation circuit.

- This ore does not require crushing & primary grinding, but does require secondary grinding or attritioning.

- Oakdale yields TGC recoveries of approximately 80%.

- The graphite flakes are very fine.

- The average grain size (D50) of the graphite varies considerably for OAD-002 ore type at about 60µm, all the other ores have a higher D50 between 150µm to 170µm.

- Very little >425µm graphite was found in the current batch of samples tested, however the area tested in 2012 which found considerable graphite >425µm has been drilled in the latest diamond drill holes and will be metallurgically tested in the coming weeks.

- Clay sandwiching between graphite flakes or adhering to the graphite flake surface limits graphite concentrate grade to about 75% TGC when the ores are only tumbled, simulating a trommel. Attritioning, light grinding or some other method of treating the rougher concentrate will improve the graphite concentrate grade.

- Nontronite clays interfere with flotation of the graphite, but most of the nontronite & sericite minerals can be removed by desliming;

    - Considering that the value of <10µm graphite is not very high, it is estimated that more than 30% of the weight of the graphite concentrate will be rejected for about a 10% TGC loss of low value graphite by desliming.

    - Desliming of these minerals will improve the TGC concentrate grade, flotation kinetics and will also be very cost effective in removing these minerals prior to the flotation circuit.

Rehabilitation

All aircore holes, diamond drill holes and other disturbances have been rehabilitated.

Programme for the next quarter

Metallurgical optimisation work will continue at ALS Metallurgy in Burnie and at Bureau Veritas in Adelaide.

Preliminary capital and operating costs will be reviewed utilising the recently published Mineral Resources and Metallurgical Studies.

A Geological Assessment will be undertaken to determine the relationship between the soft clay rich graphite horizons and the associated waste.

Tenements

Tenement	Number	km²	2015 Reduction	Expiry Date	
Brooker	5378	190		24-Aug-16	
Kapinnie	5454	160		4-Mar-16	
Sheringa	5455	337		31-Mar-16	
Lock	5456	247		31-Mar-16	
Mt Hope	5637	121		14-Mar-17	
Brimpton Lake	4537	600	83	8-Aug-15	Renewal lodged 21/4/15
Hillside	4768	157	34	25-Jul-16	
	TOTAL	1812			

For further information please contact John Lynch on (07) 3624 8188

Yours faithfully

John E Lynch
B.Sc (Sydney) M.Sc. (James Cook) FAICD and FAIMM
Managing Director

Competent Person's Statement

The information in this Quarterly Report for Oakdale Resources Limited was compiled by Mr John Lynch who is a member of the Australian 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 this Quarterly Report of the matters set out in the Quarterly Report based on the information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Air core spoil sampled at 1 metre intervals and combined into 2 metre assay samples. Samples thoroughly mixed before taking approximately 750 gm from each sample and combining them into 2 metre assay composites. Diamond drill core samples taken for metallurgical testing and sampled based on geology and sample recovery and assayed as per the air core drilling. Duplicate samples taken approximately every 15 samples. Assays are analysed for graphite only Air core drilling (85 mm diameter) was used to obtain 1m samples of which the 2m composite (1.5kg) samples were dried in an oven at 105^0C, totally pulverised using a robotics prep cell by Bureau Veritas at Whyalla and a 100 - 250g split for analysis is forwarded to Adelaide in small packets, which are packed in coffin boxes. When the samples arrive in Adelaide a portion of the sample is dissolved in weak acid to liberate any carbonate carbon. The residue is then dried at 420^0C driving off any organic carbon and then analysed by a Sulphur/Carbon analyser (Leco) to give the total graphitic carbon (method code GRAV4D).
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Air core drilling (85mm diameter hole). HQ triple tube diamond drilling used to collect samples for metallurgical testing.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Air core spoil cleared from cyclone after every 1m interval and hole flushed out with excess air to minimize chances of contamination Geological logging to note any core loss and use of HQ triple tube to optimise recovery. Sample recovery is good with no obvious bias due to any sample losses.
	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral	The air core spoils and diamond drill holes are geologically logged. The air core at one metre intervals and the diamond drill holes in their entirety

Criteria	JORC Code explanation	Commentary
Logging	*Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	by an experienced geologist. Geological core logging is qualitative. . All drill holes are fully logged and diamond core is photographed.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Diamond drill holes are sampled for assay at approximately quarter core with a paint scraper. Metallurgical sampling uses half core. For air core each metre is thoroughly mixed before taking a 750 gram sample and combining with the adjacent interval into a 2 metre assay sample. The samples are mainly dry. All samples were submitted for assay. Sample preparation at Bureau Veritas is described in Sampling Techniques above. Duplicate samples have been completed and identified no issues with sampling representatively. The four diamond drill holes are duplicating the location of previously drilled air core holes. A 0.1 gram sample is leached with dilute hydrochloric acid to remove inorganic carbon. Air filtering, washing and drying, the remaining sample residue is roasted at 420^0C to remove organic carbon. The roasted residue is analysed for Carbon (graphitic – Cg%) in a high temperature LECO furnace. The sample sizes are considered to be appropriate to correctly represent the style of mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Laboratory standards and blanks are inserted at approximately a rate of 1 in 14. In addition field duplicates are collectively inserted at a rate of approximately 1 in 15. QAQC data analysis has been completed to industry standards. Field duplicate results are within acceptable limits
	The verification of significant intersections by either independent or alternative company personnel. *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification,*	Significant intersections are readily identified in both cored drilling and air core sampling due to the easy recognition of high grade graphite. High grade analytical results are compared with visual estimates made during geological logging.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Eight twinned holes have been used to compare graphite samples taken from diamond and air core drilling. Two holes were also drilled opposite to all others to test down dip continuity of mineralisation. All areas of close spaced drilling show intercepts of similar tenor and thickness. Primary data are captured on paper in the field and then re-entered into a spreadsheet format by the supervising geologist, to be loaded into the Company's database. No adjustments are made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Hole Collars are initially surveyed with a hand held GPS with an accuracy of ±5m. Final drill collar locations are surveyed for location and topographic control by kinematic DGPS by a qualified Surveyor hired from Port Lincoln. The grid system used is AGD84.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Air core holes are drilled approximately 25m apart on lines 50,100 and 200 metres apart. As explained in previous sections, 1 metre drilled air core samples are composited to make a 2 metre assay sample.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	All drill lines have been orientated towards an azimuth interpreted to be perpendicular to the strike of the graphitic horizons so as to intercept them in a perpendicular manner. No orientation bias to sampling has been identified at this stage of project evaluation. .
Sample security	*The measures taken to ensure sample security.*	All samples were under Company supervision from the drill rig until delivered to Bear Express for delivery to Bureau Veritas' laboratory at Whyalla. All residual samples are stored securely in sealed bags.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The Competent Person has reviewed the sampling practices for this project and found them consistent with industry standards. The same geological team have been responsible for all sample collection used in the resource estimate generated for this project.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Tenement status confirmed on SARIG. Results reported are from EL 4537. All tenements are in good standing with no known impediments.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The tenements have had historic exploration conducted by CRA Exploration, Werrie Gold, Lynch Mining, BHP, Anglo American and Lymex. The tenements have been explored historically for coal, diamonds, base metals, gold and iron ore.
Geology	*Deposit type, geological setting and style of mineralisation.*	Graphite occurs within the Archean rocks at Oakdale comprising interbedded basic volcanics and graphite bearing, feldspar-sillimanite-quartz- pyrrhotite gneisses and marbles. Komatiites flank the graphitic horizons. The rocks have been metamorphosed to high grade granulite facies which has produced the coarse flake graphite. The purpose of drilling is to evaluate the grade and continuity of the Oakdale graphite project. Flake graphite intersected in drilling is believed to be a result of the high grade metamorphic event. Metallurgical test work by ALS/AMMTEC on diamond drill core has confirmed the presence of coarse flake graphite. Additional metallurgical test work has be undertaken by Bureau Veritas in Adelaide and reported to the ASX on 28th August 2015.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the*	All drilling related to the resource report has been previously reported to the ASX.

Criteria	JORC Code explanation	Commentary
	information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No high grade cuts were necessary. Aggregation was made for intercepts that reported over 1% TGC (total graphitic carbon). The reason for this is to report intervals that may be significant in future economic calculations of tonnes and grade. No metal equivalents were used.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	All assay results at this stage are downhole lengths as true width is not known, however all holes are drilled perpendicular to the interpreted strike and dip to intersect the graphite mineralisation perpendicularly
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See main body of report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The reporting is considered to be balanced. All of the drill hole recovered intercepts have been assayed in 2m composite samples.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Geological observations, geophysical survey results, metallurgical results and bulk density determinations have been used in this work and results reported in the appropriate sections of this table.
Further	*The nature and scale of planned further work (eg tests for lateral*	The current evaluation programme at Oakdale is ongoing. Numerous

Criteria	JORC Code explanation	Commentary
work	*extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	targets exist to extend the known mineralisation. Diamond drilling is planned to obtain undisturbed metallurgical sample for testing at Bureau Veritas in Adelaide South Australia.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	Drill collar coordinates have been and will continue to be surveyed by a qualified Surveyor. Data reviewed against geology and sampling databases. Data was imported from Excel files into Vulcan software. Validation and cross checking of imported collars, surveys, drill hole logs and assays was performed prior to use in resource estimation. Analytical results have all been electronically merged to avoid any transcription errors.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Steve Sullivan (Maptek Pty Ltd), the Competent Person, has not visited site, but is familiar with geologically similar lithologies in other parts of Australia and around the world. The graphite mineralisation does not outcrop at surface and the Competent Person does not consider the lack of a site visit to be material to the resource estimation.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The confidence in the geological interpretation is reasonable and relies on logging of 330 air core and 11 diamond drill holes. There is no surface expression of the ore body and geological boundaries are based extrapolations of this drill data. The interpreted geological domains are used to control the resource estimation process. Alternative interpretations will result in similar tonnage and grades for the graphite deposit.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Oakdale graphite resource is1500 metres long by 500 metres wide to a maximum of 55 metres vertical depth. The Oakdale East graphite resource is 300 metres long by 130 metres wide to a maximum of 45 metres vertical depth.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Graphite grades were estimated into a block model using both inverse distance squared and ordinary kriging methods within Vulcan software. Domains based on geological interpretations were used to subset and constrain the data points used in the interpolation and only individual samples within each domain were used for estimation of blocks located within that domain. Any non-sampled intervals were assigned a value of 0.01% total graphitic carbon. Results below the detection limit were assigned value of 0.01. No top cuts were used. There are no previous estimates of the magnitude or grade of the graphite mineralisation. Only total graphitic carbon was estimated as no by-products are relevant to this resource. No estimation of any deleterious elements has been made. The Oakdale block model was constructed using a parent cell size equivalent to approximately half to a quarter of the nominal drill spacing of 5m x 20m x 4m and sub-block size of 5m x 10m x 4m. The Oakdale East block model was constructed using a parent cell size equivalent to approximately half to a quarter of the nominal drill spacing of 30m x 5m x 4m. A minimum of 4 and maximum of 20 samples were used during interpolation of graphite grades into each block in the resource model. Two passes of grade interpolation were used at Oakdale with search ellipsoid dimensions used of 50m x 25m x 10m, followed by 200m x 50m x 20m, oriented parallel to the azimuth and dip of the interpreted domains. A single pass of grade interpolation were used at Oakdale East with search ellipsoid dimensions used of 100m x 50m x 20m, orientated parallel to the azimuth and dip of the interpreted domains. The search parameters used in both block models are suitable given the parent block size, data spacing, and the orientation of the modelled mineralisation. Geological interpretation was done by company geologists on 2D cross sections and developed into 3D models in conjunction with the Competent Person. These geological interpretations were used to control interpolation of graphite grades within the resource block models. No grade capping was invoked based on statistical analysis. Validation was completed by visual comparison of block grades with drill hole assay values on cross sections, plans and long sections. Swath

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		plots were generated on nominated Easting, Northing and elevation slices comparing original sample grades with interpolated block grades.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	Where there was not a defined geological boundary, such as fault, vein or stratigraphic contact, which constrained mineralisation, a nominal cut-off of 1% total graphitic carbon was used for delineating the resource domain boundaries.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	The Oakdale graphite deposit is assumed to be developed by shallow open cut mining methods. The nature of the mineralisation lends itself to a low strip ratio open pit mining operation, largely as a free dig operation due to soft and weathered nature of the host material. No assumptions have been made about mining selectivity for specific material types or quality. No external mining dilution or other factors have been applied to the resource estimate. Conceptually, consideration of the resource estimate and subsequent mining scenarios remain at a high level only. It is assumed that there is a basis for determining reasonable prospects for eventual economic extraction considering the historic mining of nearby Eyre Peninsula graphite deposits in a very similar geological setting and location.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Independent metallurgical test work programmes were reported to the ASX on 28th August 2015. Relevant findings include: • Metallurgically the Oakdale Resources graphite is very simple. • Preliminary work indicates that at least 65% of the ore feed to the treatment plant can be rejected with less than a 10% loss of graphite. • Rejection of 65% of the ore feed to the treatment plant will significantly increase the grade of the residual material. • The graphite mineralisation does not require crushing or primary grinding thus enhancing the preservation of the integrity of the primary graphite flakes. • Flotation yields are very high with graphite recoveries of over 90%.
Environmen-	*Assumptions made regarding possible waste and process residue*	Mining development is subject to the approved Program for

Criteria	JORC Code explanation	Commentary
tal factors or assumptions	*disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Environmental Protection and Rehabilitation (PEPR). The resource is located on sparsely vegetated flat land with ample space for mine infrastructure development.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	A total of 371 bulk density measurements were collected from Oakdale. Samples were classified as dry or damp and segregated into two groups for analysis. Overall the damp samples were 10% heavier than the dry samples. Each sample was designated into an appropriate resource domain and only dry samples were used for determination of bulk density in the resource model. Bulk density measurements were made on samples selected from both mineralised and unmineralised intervals. Due to the soft and sometimes friable nature of the saprolite core, all these samples were carefully wrapped in glad wrap prior to any measurements being taken. The wrap has no material effect on the sample weights. Core ranged from half to full size depending on whether previous sampling had been undertaken for assaying. Core samples from both the saprolite zone and fresh basement were measured. Each sample was weighed using a Vibra SJ balance (accurate to 0.1 grams) initially in air and then suspended beneath the balance and fully submersed in water. Measurements in water were taken quickly to prevent any water seeping into the sample. An average bulk density of 1.8 g/cc was determined for saprolitic graphitic mineralisation in most domains, with a maximum of 2.0 g/cc determined in a shear hosted region. Bulk densities of fresh basement were not material to this resource estimation, as the current focus is on oxidised mineralisation. These values for bulk density are very similar to neighbouring graphite deposits on the Eyre Peninsula. No bulk density measurements were collected from Oakdale East and an assumed SG is used, based on the similarity with sample material from the nearby Oakdale deposit. Bulk density was estimated into the resource block model using an assignment based on resource domain. Only bulk density measurements

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		from a particular resource domain were used to assign bulk density to the corresponding domain blocks in the resource model.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resource has been classified as follows based on the geological understanding of the deposit, density of drilling spacing and sampling. Areas drilled at 50m x 25m centres were classified as Indicated resource as sample density and uniformity were sufficient to be able to confidently estimate grade and tonnage within acceptable tolerance. The current classification of the resource estimation assignment reflects the view of the Competent Person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	This is the maiden Mineral Resource statement for Oakdale and therefore cannot be compared to previous estimates. The work has been prepared by an independent consultant, the Competent Person. Peer review within Oakdale was performed prior to reporting of this resource statement.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The relative accuracy of the Mineral Resource is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. The Mineral Resource estimate is based on the assumption that open cut mining methods will be applied and that grade control sampling, such as ditch-witch bench sampling, will be available for selective ore/waste delineation. As such the resource estimate should be considered to represent a global resource estimate. No production data is available to reconcile results.

Hole	GPSEast_AGD84	GPSNorth_AGD84	TD	Line No	EASTING	NORTHING	ELEVATION AHD	AZI_AMG	DIP
OAC290	548198	6258706	72.0	22	548196.66	6258704.58	47.65	45	-60
OAC291	548180	6258686	79.0	22	548179.13	6258687.35	47.38	45	-60
OAC292	548162	6258669	66.0	22	548161.55	6258669.87	46.55	45	-60
OAC293	548145	6258651	66.5	22	548143.67	6258652.22	44.87	45	-60
OAC294	547631	6259620	54.0	19	547628.30	6259621.16	37.22	45	-60
OAC295	547611	6259606	54.0	19	547610.27	6259603.81	37.04	45	-60
OAC296	547592	6259589	67.0	19	547592.01	6259586.24	36.57	45	-60
OAC297	547460	6259456	57.0	19	547458.16	6259455.54	37.31	225	-60
OAC298	547476	6259477	55.5	19	547475.83	6259472.92	37.36	225	-60
OAC299	547705	6259558	73.0	18	547703.88	6259557.13	40.26	45	-60
OAC300	547686	6259541	60.0	18	547686.14	6259539.69	39.66	45	-60
OAC301	547519	6259372	54.0	18	547517.30	6259372.38	36.58	45	-60
OAC302	547502	6259358	58.5	18	547499.49	6259355.08	36.95	45	-60
OAC303	547730	6259440	60.0	17	547728.34	6259439.73	39.93	45	-60
OAC304	547712	6259422	37.5	17	547710.13	6259421.39	40.33	45	-60
OAC305	547695	6259405	63.0	17	547692.74	6259404.16	40.56	45	-60
OAC306	547675	6259386	59.5	17	547674.97	6259386.51	40.37	45	-60
OAC307	547479	6259335	59.0	18	547478.99	6259334.47	37.73	45	-60
OAC308	547407	6259331	52.0	10	547406.73	6259332.37	37.52	45	-60
OAC309	547389	6259316	53.0	10	547388.80	6259314.85	37.80	45	-60
OAC310	547471	6259252	47.5	8	547469.74	6259251.60	41.71	45	-60
OAC311	547878	6258958	66.0	15	547876.94	6258955.44	40.89	45	-60
OAC312	547860	6258937	64.0	15	547859.43	6258937.56	41.73	45	-60
OAC313	547844	6258919	68.5	15	547841.60	6258920.24	41.88	45	-60
OAC314	547824	6258904	63.0	15	547823.62	6258902.59	41.68	45	-60
OAC315	547803	6258888	63.0	15	547805.78	6258885.29	41.27	45	-60
OAC316	547789	6258867	62.0	15	547788.00	6258867.78	41.01	45	-60
OAC317	547771	6258849	49.0	15	547770.22	6258850.23	40.21	45	-60
OAC318	547944	6258889	55.5	3	547941.69	6258890.76	40.96	45	-60
OAC319	547925	6258873	63.0	3	547924.40	6258873.00	40.76	45	-60

OAC320	547908	6258857	77.0	3	547906.30	6258855.79	40.25	45	-60
OAC321	547889	6258838	58.0	3	547888.39	6258838.13	39.97	45	-60
OAC322	547870	6258824	60.0	3	547870.59	6258820.80	39.76	45	-60
OAC323	547899	6258776	68.5	3	547897.06	6258775.83	40.96	45	-60
OAC324	547880	6258759	66.0	3	547878.94	6258758.63	40.85	45	-60
OAC325	547862	6258742	61.0	3	547861.03	6258741.08	40.93	45	-60
OAC326	547997	6258790	93.0	16	547998.61	6258791.67	41.68	45	-60
OAC327	547982	6258774	75.5	16	547980.97	6258774.03	41.70	45	-60
OAC328	547966	6258758	67.5	16	547962.71	6258756.00	41.35	45	-60
OAC329	547944	6258739	61.5	16	547945.60	6258739.16	41.56	45	-60
OAC330	547935	6258727	64.0	16	547932.88	6258726.43	42.01	45	-60
OAD005	547363	6259572	55.4	11	547359.54	6259572.83	35.83	45	-60
OAD006	547432	6259429	58.2	19	547428.81	6259431.91	37.58	45	-60
OAD006A	547431	6259428	36.9	19	547427.82	6259430.99	37.65	0	-90
OAD007	547510	6259365	58.7	18	547505.61	6259365.84	36.77	45	-60
OAD008	547768	6259410	65.9	13	547767.89	6259411.31	38.68	45	-60
OAD008A	547768	6259409	32.9	13	547766.95	6259410.32	38.71	0	-90