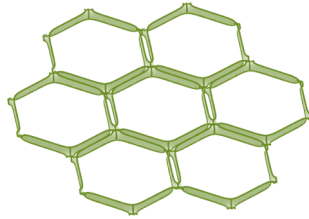


OAKDALE RESOURCES LIMITED

ACN 009 118 861

8 Maud Street, Newstead
Qld 4006
PO Box 3199 Newstead
Qld 4006



Phone: (07) 3624 8188
Fax: (07) 3624 8133
E: info@oakdaleresources.com.au
W: oakdaleresources.com.au

2 December 2015

SCOPING STUDY INDICATES 9 MONTH PAYBACK

- **COST OF PRODUCTION UNDER AUD\$ 300**
- **NPV OF AUD\$ 170M**

Oakdale Resources Limited (**ASX: OAR**) is pleased to report that the Company has now completed a scoping study for its 100% owned Oakdale Graphite Project in the central Eyre Peninsula in South Australia which indicates that the Oakdale Project will have a nine month payback.

Highlights:

Initial Production Target:

❖ Oakdale	5.65m tonnes @ 4.7% TGC
❖ Oakdale East	670,000 tonnes @ 5.1% TGC
❖ Mining Rate:	2m tonnes p.a.
❖ Forecast production	94,500 tonnes p.a.
❖ Mill Recovery:	80%
❖ Cost of Production	AUD\$286 per tonne
❖ NPV	AUD\$170.2m over 3 years

A summary of the key conclusions derived from the Scoping Study are set out below:

1. Summary

- ❖ The Scoping Study highlights the robust economic nature of the Oakdale Graphite Project with an estimated operational cost of mining and processing to be AUD\$ 13.25 per tonne and a projected cash cost of production of approximately AUD\$ 286 per tonne. Based on an initial 3 year mine life for the Oakdale Project the NPV for the project is estimated at AUD\$ 170m.
- ❖ The initial graphite resource has been outlined over a distance of 1,500 metres and a width of up to 500 metres. The graphite mineralisation is approximately 20 metres thick in the saprolite zone with a maximum depth of 55 metres. This mineralisation contains both indicated and inferred mineral resources.
- ❖ The Scoping Study has been completed with the assistance from Maptek (ore resources), Esker Milling & Processing Pty Ltd, Bureau Veritas, Adelaide, ALS Metallurgy, Burnie (metallurgy) and Alliance Contracting (mining).
- ❖ The study was based on the initial 3 years of operation. Graphite has been intersected in wide spaced drill holes and further drilling is planned for Oakdale East and North.
- ❖ Operating costs for the mill have been estimated at approximately AUD\$9.00/tonne based on metallurgical testwork conducted by Bureau Veritas in Adelaide, in conjunction with Consultant Metallurgist, Nick Moony of Esker Milling & Processing Pty Ltd.
- ❖ The mining cost of approximately AUD\$ 2.25 per tonne has been estimated by Alliance Contracting.
- ❖ The current graphite price for the grades of flake expected to be produced has been used in financial modelling. Testing by Esker Milling & Processing currently being undertaken at Burnie Laboratories in Tasmania, will determine the expected purity to be attained. The incremental pricing for higher grades of graphite could advantageously affect the value of the project (higher purity will lead to a higher NPV).

2. Mineral Resources

The preliminary Scoping Study is based on the Company's JORC Code 2012 Mineral Resource Estimate calculated independently by Stephen Sullivan of Maptek (as announced to the ASX on 27 October 2015). The Resource was completed using various TGC cut-off grades. The Mineral Resource Estimate on a dry tonne basis is classified as an **Indicated and Inferred Mineral Resource** ⁽¹⁾⁽²⁾ and is summarised in Table 1.

Indicated and Inferred Mineral Resource (Table 1)

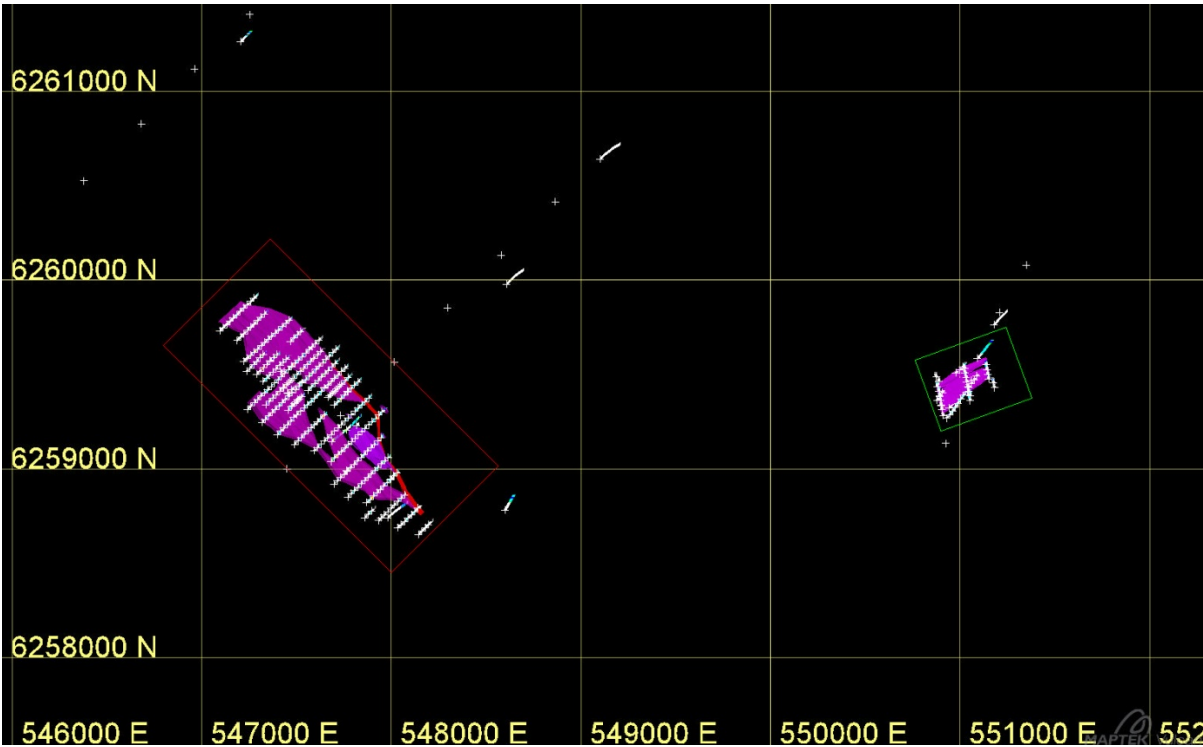
	Category	TGC %	Mt (Dry)	TGC Cutoff %
Oakdale	Indicated	3.6	4.67	0
	Inferred	3.1	7.18	0
Oakdale East	Inferred	3.2	1.63	0
Total		3.3	13.47	0
Of which, high grade Areas:				
Oakdale	Indicated	4.7	2.69	3
	Inferred	4.6	2.96	3
Oakdale East	Inferred	5.1	0.67	3
Total		4.7	6.31	3

⁽¹⁾ Mineral Resources which are not Ore Reserves do not have demonstrated viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues. There has been insufficient exploration at this date to define these Mineral Resources as a Measured Mineral Resource or an Ore Reserve. It is uncertain if further exploration will result in upgrading the Mineral Resources to a Measured Mineral Resource category or to an Ore Reserve.

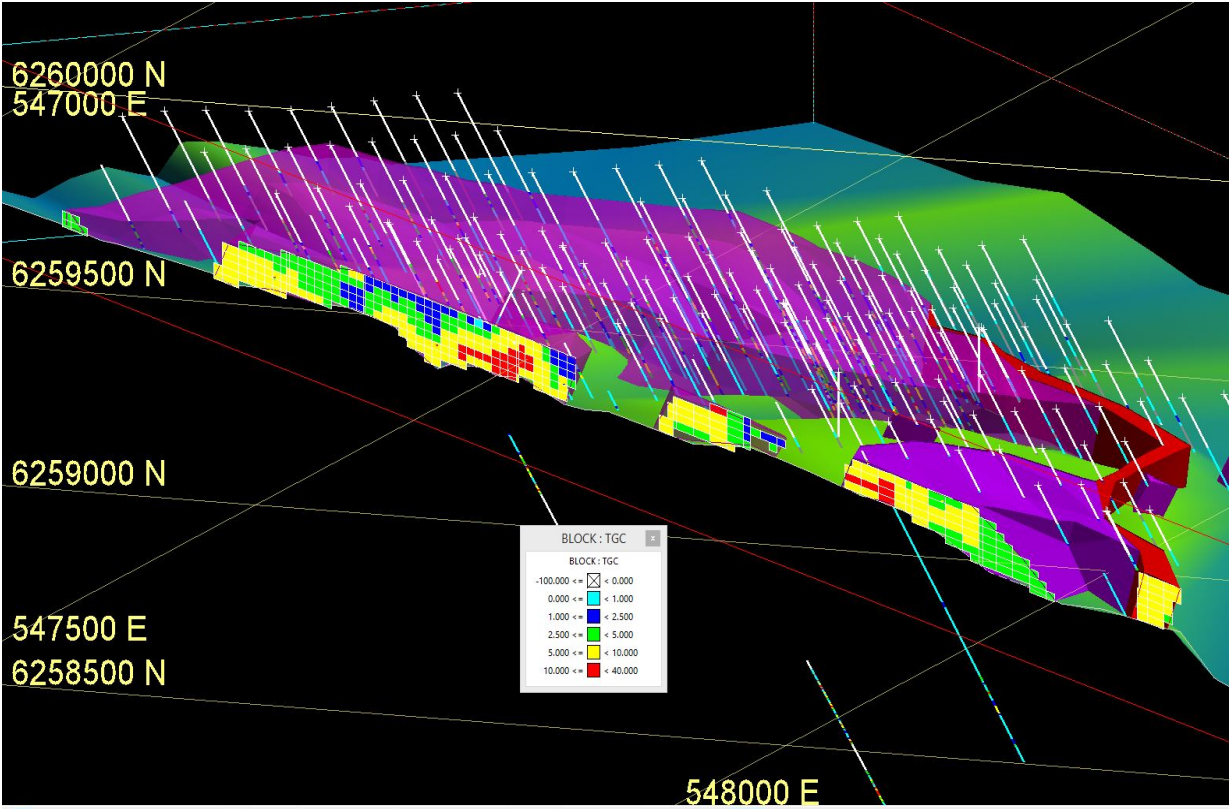
⁽²⁾ **Competent Person Statement**

The information in this report that relates to Mineral Resources is extracted from the summary report by Stephen Sullivan of Maptek and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the 27th October 2015 Announcement and that all material assumptions and technical parameters underpinning the estimates in this Announcement continues to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, have not been materially modified from the original Announcement.

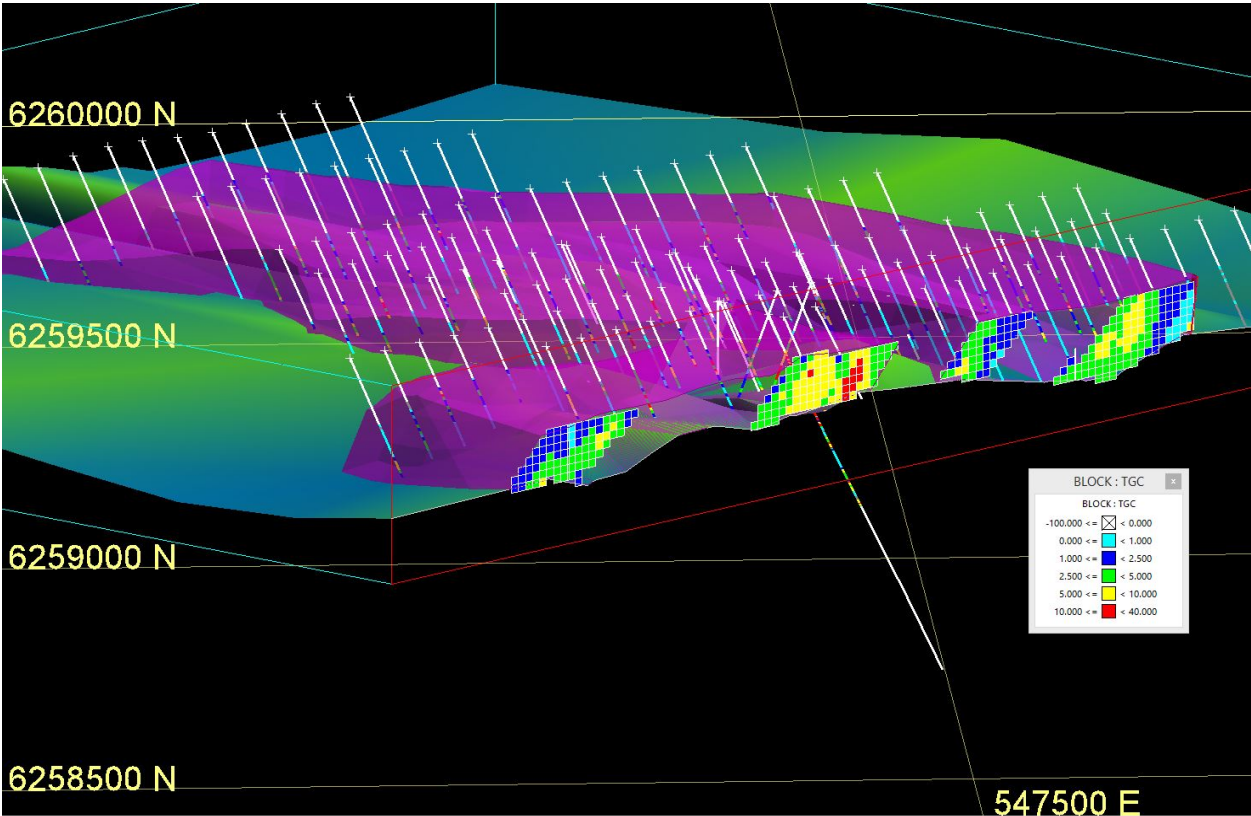
Relationship Oakdale and Oakdale East



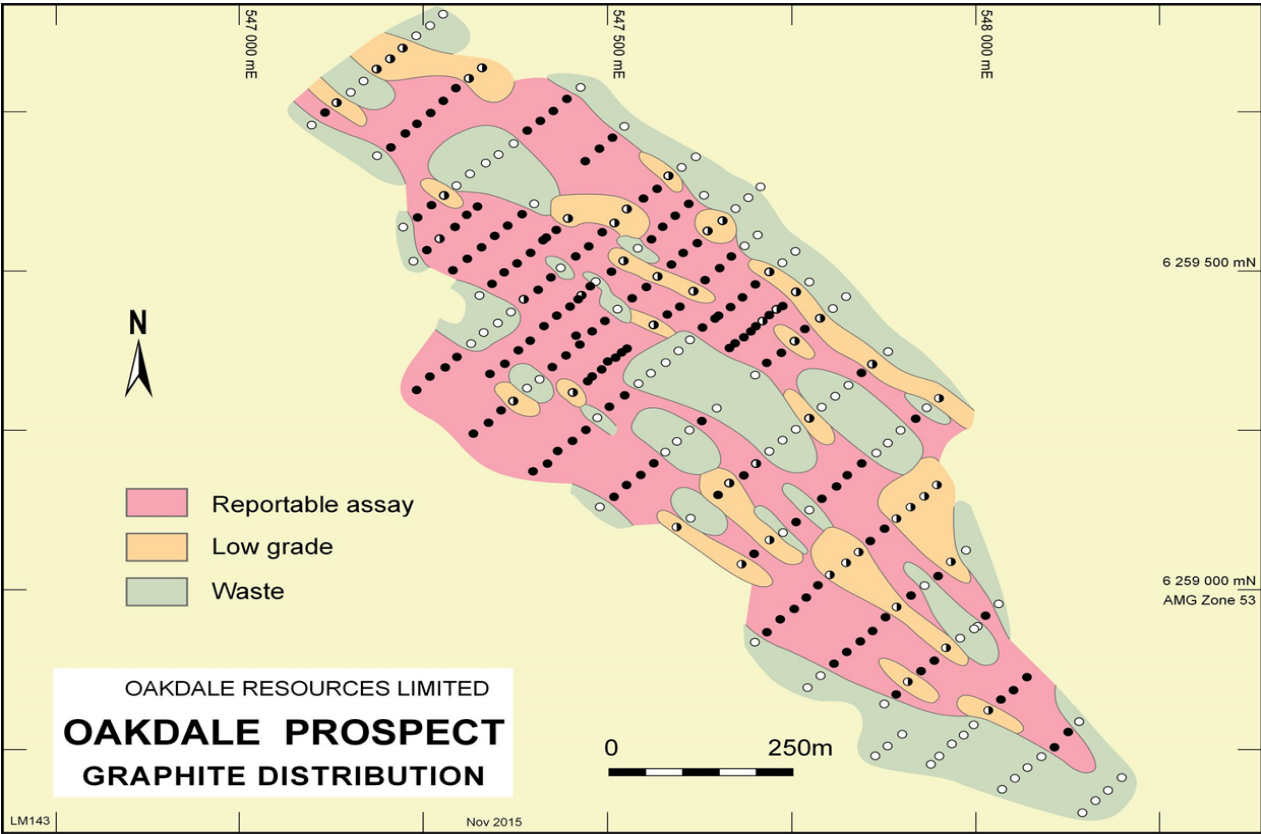
Cross Section through Oakdale Ore Resource



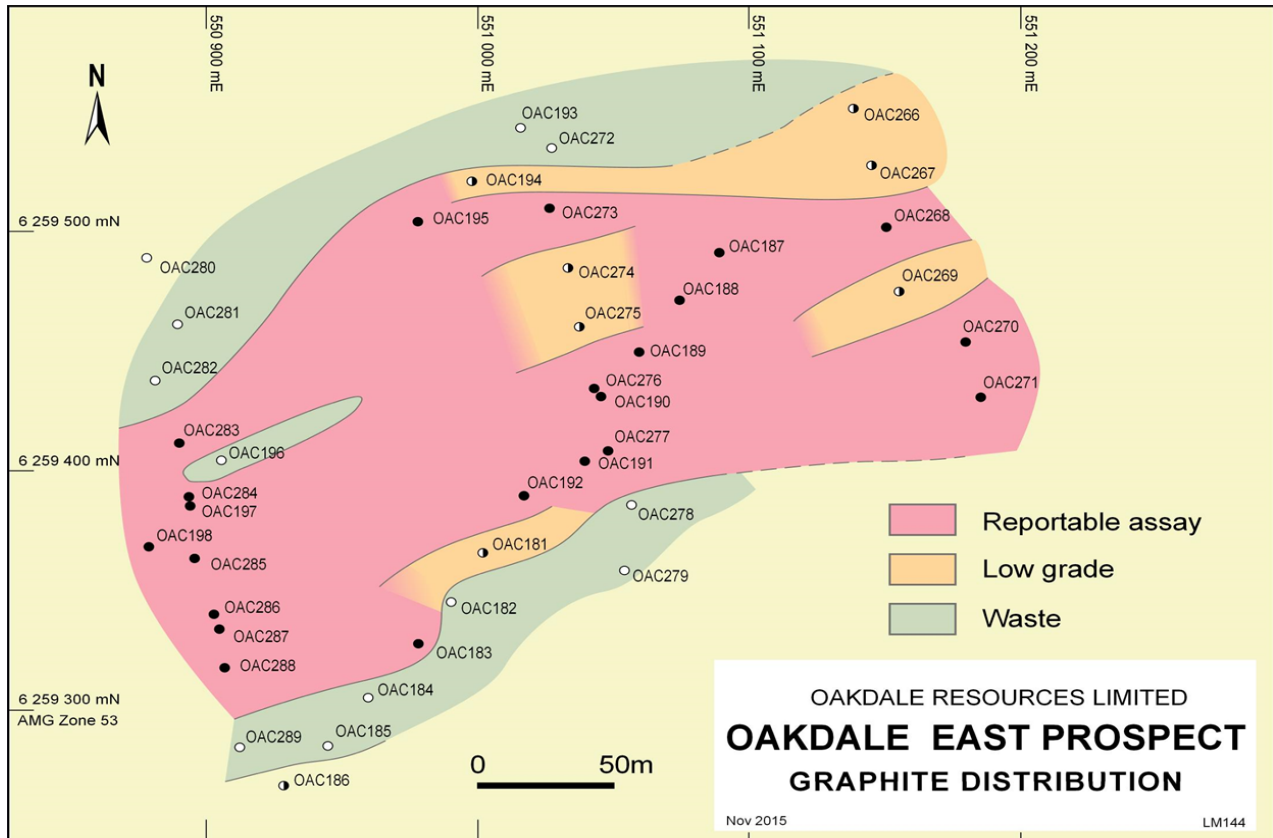
Cross Section through Oakdale Ore Resource



Plan of Graphite Distribution – Oakdale and Oakdale East



Plan of Graphite Distribution - Oakdale East



Mine Plan

Mining will be done in defined slots based on the distribution of mineralised graphite lenses with mostly free dig with some dozer ripping to loosen any tighter material. The used pits would be back filled with waste and 90% dewatered tailings solids returned to the used pits.

Excavation Equipment to be used

- 1 x 80T Excavator
- 3 x 40T Articulated Dump Trucks
- 1 x 45T Dozer
- 1 x Grader
- 1 x Watercart

3. Production Target

In the Preliminary Scoping Study, mining costs have been provided by the Alliance Group based in Perth. An open pit to a maximum depth of 55 metres is envisaged.

Mining Parameters

<i>Parameter</i>	<i>Value</i>
Cut-off Grade	3% TGC
Pit Widths	Up to 150 metres
Maximum Mining Depth	55 metres
Thickness of Graphite units	Average 20 metres
Waste to Ore Ratio	0.5 : 1.0
Overburden Removal	Average 20 metres thick

The mining plan consists of pre stripping of the Tertiary overburden at a cost of \$1.00 per cubic metre, totalling an initial pre capital cost of \$528,000 to open up the first pit 220 metres by 120 metres. From then on the overburden will be removed as part of the mining operation. Mining of the graphite mineralisation and waste will be by excavator and truck with an estimated cost of \$2.25 per tonne with a waste to ore ratio of 0.5:1.0.

The throughput target has been estimated initially at 2,000,000 tonnes per year for the first 3 years @ 4.7% TGC based on current ore resource estimates and an estimated dilution of 5% at zero grade. The resultant production target is 94,500 tonnes of graphite. Additional drilling is planned for Oakdale East and North to increase these mineral resources. Given the open nature of the resource at Oakdale East and other known graphite occurrences, additional higher grade mineralisation is expected to be available to supplement the current resources.

Production Profile* - Revised metallurgy findings in brackets**

Flake Size	TGC % Distribution	Weight % Distribution	Final TGC Concentrate
>180µm	20% (24%)**	23.8%	2.25 tph
>75µm <180µm	33% (36%)**	39.3%	3.72 tph
>15µm <75µm	31% (40%)**	36.9%	3.48 tph
	84% (100%)**	100%	9.45 tph

*The proposed plant has throughput of 2.1mtpa which equates to 250 tonnes per hour. Forecast production is 9.45 tonnes of concentrate per hour. The value at current prices of the concentrate is then divided by 9.45 to get a value per tonne of production.

4 Financial Model Outcomes

The mining rate has been incorporated into a preliminary financial model to estimate the value of the project based on an initial mine period of 3 years. Actual costs for mine labour, plant & equipment, consumables, administration, exploration and corporate costs have been estimated for a 2 million tonne per annum mine of similar size and location.

A summary of critical costs, assumptions and outcomes from the financial model are shown in Table 3.

Financial Assumptions and Outcomes

<i>Item</i>	<i>Value</i>
Basket Graphite Price (Nov.2015)	AUD\$1,220 per tonne
Mill Recovery	80%
Mining Costs Plus Overburden	\$2.25 per tonne \$0.50 per tonne
Milling	\$9.00 per tonne
Realisation	\$1.00 per tonne
Administration	\$0.5 per tonne
Total Cost	\$13.25 per tonne
Initial Mining Period	3 years
NPV	AUD\$170m

4.1 Graphite Price

A graphite price of AUD\$1,220 per tonne has been used in the financial modelling. This is derived from current prices as published by Industrial Minerals as at November 15th 2015.

Graphite Prices - Basis CIF Europe

GRAPHITE PRICES				
Flake size	90% Purity	94% Purity	97% Purity	99+% Purity
>180µm	US\$800pt	US\$950	US\$1,150	US\$1,400
>75µm <180µm	US\$750pt	US\$800	US\$1,000	US\$1,200
>15µm <75µm	US\$500pt	US\$650	US\$750	US\$850

Current Testing to Ascertain Purity

Esker Milling & Processing's interim final report makes the following assertions:-

- ❖ At least 60% of the ore can be rejected at 90% passing $\approx 1, 200\mu\text{m}$ for less than a 14% TGC loss, this involves both pre concentrations using gravity separation & desliming at about $15\mu\text{m}$.
 - * Most of the TGC losses are in the $<15\mu\text{m}$ fraction, which is a low value product.
- ❖ The ore does not require crushing & primary grinding, but does require secondary grinding and/or attritioning.
- ❖ Some Oakdale ores yields very high TGC recoveries of over 95% to a $>60\%$ TGC concentrate using just whole of ore flotation.
- ❖ However, nontronite & other clay minerals interfere with flotation for other ore types:-
 - * For these ores, desliming removes the nontronite & improves TGC recovery from about 10% to $>80\%$.
 - * Concentrate grade also improves from $\approx 8\%$ TGC to $> 86\%$ TGC.
- ❖ The graphite flakes are very thin:-
 - * Being only between $3\mu\text{m}$ to $6\mu\text{m}$ thick on average & are fragile.
 - * The indicative average grain size or D_{50} of the graphite seems to vary considerably from $\approx 75\mu\text{m}$ for one or two ores to $\approx 180\mu\text{m}$ for ten other ores.
- ❖ Very little $>425\mu\text{m}$ free, clean graphite was found in any ore type.
- ❖ Clay sandwiching between graphite flakes or adhering to the graphite flake surface limits the flotation concentrate grade to $\approx 80\%$ to 85% TGC at the very best, this is without grinding, washing or attritioning.
- ❖ The current sizing estimate of the final Oakdale processing concentrate assaying $>90\%$ TGC is given below.
- ❖ It is aimed to produce a concentrate assaying $> 98\%$ TGC from the dressing plant.

Oakdale Flotation Concentrate - using revised metallurgical results** (see page 4)

Sizing	TGC % Distribution
$>425\mu\text{m}$	1
$>300\mu\text{m}$	7
$>180\mu\text{m}$	16
$>75\mu\text{m}$	36
$<75\mu\text{m}$	40
	100
Estimated Grade	$>90\%$ TGC

Current Work Program

A Master Composite (MC) has been made up from seven ore types. This MC will be subjected to a comprehensive test programme, which will determine the following:

- ❖ To determine what is the highest possible TGC concentrate grade that can be achieved by conventional processing.
- ❖ Establish the best TGC processing recovery.
- ❖ Incorporate any modifications that will improve metallurgical performance.
- ❖ Techniques, such as column flotation, centrifuges, attritioning, washing in brine at $>100^{\circ}\text{C}$, ultrasonic testing, light grinding & other procedures are being tested to improve the final processing circuit concentrate.
- ❖ The flowsheet that is being used for the MC test programme is attached on the next page.

4.2 Mill Recovery

Independent metallurgical testing by Bureau Veritas in Adelaide and Esker Milling & Processing has estimated, based on diamond drill core samples that the recoveries would be approximately 80%.

Master Composite



4.3 Estimated Capital Cost for Treatment Plant (Mill)

The estimated capital cost by Esker Processing and Milling is \$A48,000,000 as outlined in Table 5.

Capital Cost (Estimate)

CAPITAL COST	AUD\$
Engineering & Site Preparation	\$4,000,000
Feed Bin	\$400,000
Trommel	\$650,000
Screw Classifier	\$350,000
Ball Mill	\$850,000
Weightometer	\$350,000
Conveyors	\$350,000
Feed Area Pumps	\$400,000
Feed Reflux Classifier	\$250,000
Jig feed Pump	\$95,000
InLine Jig Complex	\$1,550,000
Reflux Classifier	\$250,000
Floatation Feed Pump	\$55,000
Reflux Classifier	\$250,000
DSM Screen	\$550,000
Complete Flotation Complex*	\$11,000,000
Attritioner	\$950,000
Reflux Classifier	\$350,000
Tails Thickener	\$2,650,000
Tails circuit - Circuit Pumps	\$125,000
Tails Filter	\$1,500,000
Power & All Electrical	\$3,400,000
Piping	\$800,000
Workshop	\$1,200,000
Laboratory	\$800,000
General Offices	\$150,000
HF Circuit	\$7,650,000
Sub Total	\$40,925,000
Contingency	\$7,075,000
TOTAL CAPITAL	\$48,000,000

* (≈ 84t.p.h. ≈150m3 cell capacity BGRINM cells)

4.4 Mining Costs

Mining costs of AUD\$2.25 per tonne includes all operating costs bar “overburden removal” which was costed separately at AUD\$0.50 per tonne.

Mining will be by Contractors who will be responsible for all mining equipment and spare parts.

4.5 Milling Costs

Milling costs have been estimated by the Company’s Consultant Metallurgist Nick Moony of Esker Milling & Processing Pty Ltd at approximately \$A9.00 per tonne. A breakdown of these costs is outlined in Table 6.

Milling Costs (Estimate)

The mill is planned at 250 tonnes per hour throughput at 4.5% TGC. Planned operations are targeting 8,200 hours per annum.

Budget Estimate	Total \$	\$ per tonne
Mill Loader & Preparation	\$1,279,000	0.62
Trommel etc	\$1,332,500	0.65
Jigs	\$ 390,000	0.19
Flotation	\$2,441,000	1.44
Filtering	\$ 410,000	0.20
HF Graphite Cleaning	\$4,779,000	2.35
Tailing Disposal	\$ 820,000	0.40
Maintenance	\$6,071,500	2.96
Total Milling cost	\$17,523,000	8.81

Capital Expenditure and Operational Expenditure

	AUD\$
Mill (Capex)	48.0m
Contractor	0.2m
Operations Expenditure (12 months)	27.6m
Prestrip	0.5m
Total	\$76.3m

Total Operational Costs per annum

	AUD\$/t	AUD\$m
Mining	2.25	4.7
Process	9.00	18.9
Overburden	0.50	1.0
Realisation	1.00	2.0
Administration	<u>0.50</u>	<u>1.0</u>
Total	13.25	27.6

Revenue per tonne produced = \$AUD1,220 per tonne

Total Revenue on anticipated 94,500 tonnes per annum production = \$AUS115,290,000

Realisation Costs

Realisation costs are estimated to be \$A1.00 per tonne totalling \$2,100,000 per annum

4.6 Financial Model

FEASIBILITY TARGETS	Predicted Oakdale Mill Recovery				
Product	t.p.h.	%weight	%TGC	Tonnes TGC	%TGC Distribution
New Mill Feed	250.00	100.0	4.50	11.25	100.0
Gravity Rejects	92.00	34.8	0.55	0.49	4.5
Combined Ultra Fine Rejects	72.97	28.4	0.85	1.14	10.4
TGC Flotation Tail	73.30	28.0	0.10	0.07	0.7
TGC Flotation Conc.	11.73	4.9	81.40	9.50	84.4
Predicted HF Conc.	9.54		99.00	9.45	84.0

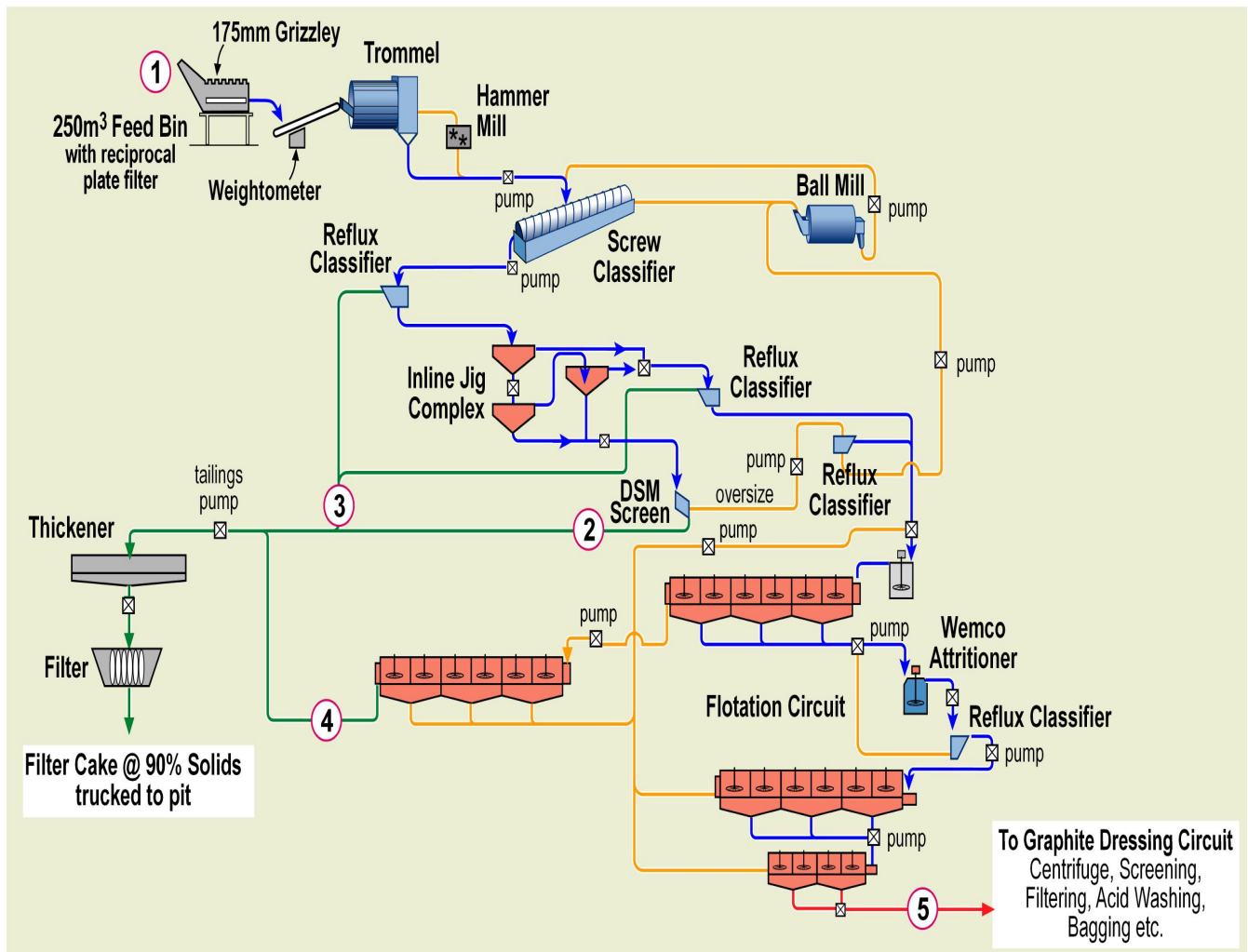
Price achieved per tonne of production

Overall TGC Recovery 84%			Final TGC Concentrate			
SIZING	TGC % Dist.	Wt % Dist.	tph	\$US*	\$US VALUE	\$A REVENUE
>180µm	20.00	23.8	2.25	900	2,250	3,214
>75µm<180	33.0	39.3	3.72	800	3,534	5,048
<75µm>15µm	31.0	36.9	3.48	650	2,262	3,232
	84.0	100.0	9.45		8,046	\$11,494

*November 15th 2015 prices based upon 94% Purity – Independent Mineral Research

5. Processing

Plant Design



5.1 Conceptual Oakdale Oxide Ore Flowchart

- The plant is designed to take advantage of the opportunities this ore presents, such as no crushing, limited grinding, a very low work index and gravity tail and slime rejection.
- The ore is delivered through a feed bin to a trommel, screw classifier and ball mill complex. The underflow, that is $>1.18\mu\text{m}$, would be fed into a ball mill and then recycled back to the screw classifier.
- The $<1.18\text{mm}$ fines to be fed to a reflux classifier** where some of the $<15\mu\text{m}$ fines and excess water are discharged to tails and the $>15\mu\text{m}$ ore is then fed through an Inline jig complex.
- The jigs will reject between 30% and 40% of the ore for $<10\%$ TGC loss, a $425\mu\text{m}$ DSM screen is installed on the jig tails to recover any coarse TGC that might be lost in this stream. Once any coarser graphite is removed, the remaining heavies are

reground in the ball mill. In addition the jigs will also greatly simplify the TGC flotation by rejecting most of the sulphides.

- The jig lights are then passed through another reflux classifier where more <15µm are discharged to tails.
- Rejection of the <15µm fines serves two purposes – it improves TGC concentrate grade by rejecting low value ultrafine amorphous graphite and this process also rejects clays that can greatly hinder TGC recovery.
- It is expected another 30% and 40% of the ore will be rejected as slimes for somewhere between 8% and 13% TGC loss.
- All tails will be combined, thickened, filtered and pumped to the open pit at >90% solids.
- The remaining classified ore is then subjected to a TGC flotation circuit, which is still being developed but is highly probable that column flotation will be extensively used to improve TGC grade.
- It is also very likely that low energy attritioners, TGC washing and other cheap processing options will be used to remove gangue from the graphite. This will ensure that the highest possible TGC grade will be produced before any acid washing.
- The downstream dressing circuit cannot be designed until the final flotation concentrate grade and sizing is known.

**** *The Reflux Classifier combines a conventional fluidized bed in conjunction with a stacked pack of inclined plates. This enhances the rate of segregation for high density particles down the plates, in conjunction with superior conveying of low density particles up the plates. As discussed, this machine consists of a system of inclined plates or channels attached to a straightforward fluidised bed. The inclined plates permit significantly higher feed rates with improved differential acceleration of lights from heavies as well as fine and course minerals etc. This process results in sharper classification and better shear rates up and down the plates.***

- Esker has assumed that the mill recovery from the Oakdale Plant will remain at 80% using this flowsheet.

Mining Schedule – Based on Current Ore Resource and Achievable Price per Tonne of Production of \$AUD1,220 per tonnes (94% Purity Price – November 15th 2015)

Projected Cash-flow

Year	Tonnage Throughput (mt)	TGC %	Graphite Production (tns)	Current Price per tonne of Production	Revenue	Costs	Net Cash Flow
1	2.1	4.5%	94,500	AUD\$1,220	\$115.29m	\$27.6m	\$87.69m
2	2.1	4.5%	94,500	AUD\$1,220	\$115.29m	\$27.6m	\$87.69m
3	2.1	4.5%	94,500	AUD\$1,220	\$115.29m	\$27.6m	\$87.69m
Cumulative Gross Profit (3 years of Operation)							\$263.07m

Net Present Value - First 3 Years of Operation – AUD\$

Revenue Years 1 – 3	\$345,870,000
Less Opex (Operations Expenditure)	\$82,800,000
Net Revenue	\$263,070,000
Less Capex	\$48,700,000
NPV (Discount Rate 10%)	\$170,200,000

Sensitivity Analysis

Tonnages	Price Achieved per tonne	Revenue	Less Opex	Free Cash Flow	NPV
94,500	AUD\$1,464 +20%	\$415.04m	\$82.80m	\$332.24m	\$227.41m
94,500	AUD\$1,342 +10%	\$380.46m	\$82.80m	\$297.66m	\$198.70m
94,500	AUD\$1,220 Current Price	\$345.87m	\$82.80m	\$263.07m	\$170.20m
94,500	AUD\$1,098 -10%	\$311.28m	\$82.80m	\$228.48m	\$141.40m
94,500	AUD\$976 -20%	\$276.70m	\$82.80m	\$193.90m	\$112.74m

7. Production Target

Planned annual production target is 2,100,000 tonnes of 4.5% allowing for 5% dilution at zero grade.

Pre-Stripping and Overburden Removal

Area	bcm	Cost	Cost/bcm \$ per annum
Pre-stripping	528,000*	1.00	528,000
Ongoing	500,000	1.00	500,000

- * Based on an initial open pit of 220m x 120m, allowing 10 metres of lag back and an operating pit of 200m x 100m.

Production Target Classification

Year 1		Year 2		Ongoing per annum	
Tonnes	Grade TGC	Tonnes	Grade TGC	Tonnes	Grade TGC
2,100,000	4.5%	2,100,000	4.5%	2,100,000	4.5%

Note: Allowing for 5% dilution at zero grade

The initial pit is to be approximately 200m long by 100m wide by 30m deep. This will approximately contain 400,000 tonnes of mineralised graphite and 200,000 tonnes of waste. The initial overburden to be removed pre-production is 528,000 bcm.

Cautionary Statement

The Scoping Study referred to in this announcement is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic production mining case at this stage or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target itself will be realised.

7.1 Site Infrastructure

Power

The mine is on an 11,000 volt earth return signal wire on pole state grid power. The milling circuit has been designed to utilise a further 11,000 kva. The additional power requirements will be investigated and if possible installed on the existing power corridor.

Water

A salt water aquifer is interpreted to be 1.0 kilometres south west of the mine site. This will be tested as part of the hydrological studies planned in the pre-feasibility studies (PFS) and included in the proposed Mining Lease Application.

7.2 Permits and Rehabilitation

A Mining Lease Application will be made once all environmental, hydrological and other studies necessary for a PEPR (Program of Environmental Protection and Rehabilitation) are completed. The proposed Oakdale Mine site is on freehold land.

8. Financial Summary

The Company has combined the mine schedule and costs to produce a financial model over an initial 3 year mine period. To establish and undertake the requirements necessary for the granting of a mining lease is estimated at \$3m. The Company has a range of options available to achieve the necessary interim and final plant and equipment funding, and is currently assessing the merits of each option.

The financial model is based on estimated recoveries of 80% graphite from the current metallurgical testwork carried out at Bureau Veritas and ALS Metallurgy and on plant design by Consultant Metallurgist Nick Moony of Esker Milling & Processing.

9. Tenement Holdings and Movements

Below is a schedule of mining tenements and beneficial interests held as at 31st August 2015.

Tenement Holdings

Tenement	Number	km ²	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	8-Aug-15	Renewal lodged 21/4/15
Hillside	4768	157	25-Jul-16	
	TOTAL	1812 km²		

Competent Person Statements

The information in this announcement that relates to the preliminary Scoping Study is based on, and fairly represents, information compiled by Mr John Lynch who is a member of The Australasian Institute of Mining & Metallurgy. Mr Lynch is the Managing Director of Oakdale Resources Limited and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Lynch has given his consent to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is extracted from the summary report entitled "Initial mineral Resource for the Oakdale Project" and is available to view on the Company's website.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding graphite, exploration costs, production costs and other operating results, growth prospects and the outlook of Oakdale Resources Limited's operations contain or comprise certain forward looking statements regarding Oakdale Resources Limited's exploration & development operations, economic performance and financial condition. Although Oakdale Resources Limited believes that the expectations reflected in such forward-looking statements are reasonable; no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, mine development and operating risks, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, discrepancies between actual and estimated production, risks inherent in the ownership, exploration and operation of or investment in mining properties. Fluctuations in graphite prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Oakdale Resources Limited undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

The Company believes that it has a reasonable basis for making the forward looking statements in this announcement, including in respect to any production targets and forecast financial information based on that production target, based on the information contained in this announcement and in particular:

(i) The Scoping Study was compiled by Mr John Lynch from information from metallurgical studies by Bureau Veritas and ALS Metallurgy compiled by Nick Moony of Esker Processing & Milling. Ore Resource estimation by Stephen Sullivan of Maptek and budget mining costs by Ian Phippard of Alliance Contracting.

(ii) The management team of Oakdale are highly experienced in open cut mining operations. Mr Lynch has 47 years of experience in exploration, evaluation and development, with extensive knowledge of mine development, installation of surface infrastructure and treatment plants. Mr Lynch is a geologist and has undertaken mine development projects in Queensland.

(iii) The Company believes that investigations and studies carried out for the preliminary Scoping Study are what would normally be expected at a preliminary Scoping Study level.

Mr Nicholas Enraght-Mooney, principal of Esker Milling & Processing Pty. Ltd., has 50 years' experience in metallurgical consulting and development of mineral deposits throughout the world. Mooney's specialty is all aspects of flotation, particularly oxide flotation for Sn&W, as well as extensive experience in sulphide flotation for Cu, Pb, and Zn. The expertise extends to feasibility studies; flow sheet development; gold leaching-NaCN, halogens and HNO₃ and all aspects of gravity separation including centrifuges; magnetic separation; sampling and tailings retreatment. Esker Milling & Processing is considered an expert in ore characteristics – Au, Cu, Fe, Sn, Ta, W, Nb, Zn, Pb, SiO₂ & C – which makes them very valuable in the commercialisation of new processes.

Mr Mooney was involved with The Uley Graphite Mine when operated by Graphite Mines of Australia in the early 1990's.

Steve Sullivan of Maptek Pty Ltd is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sullivan 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".

Ian Phippard of Alliance Mining has more than 40 years' experience in civil construction contracting and mining industries in Western Australia and Queensland. Mr Phillard has overseen open cut mining in the gold and mineral sands industries as well as civil contracting projects and depots throughout WA.