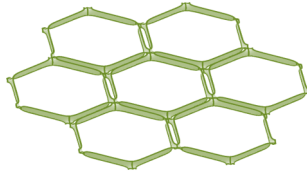


OAKDALE RESOURCES LIMITED

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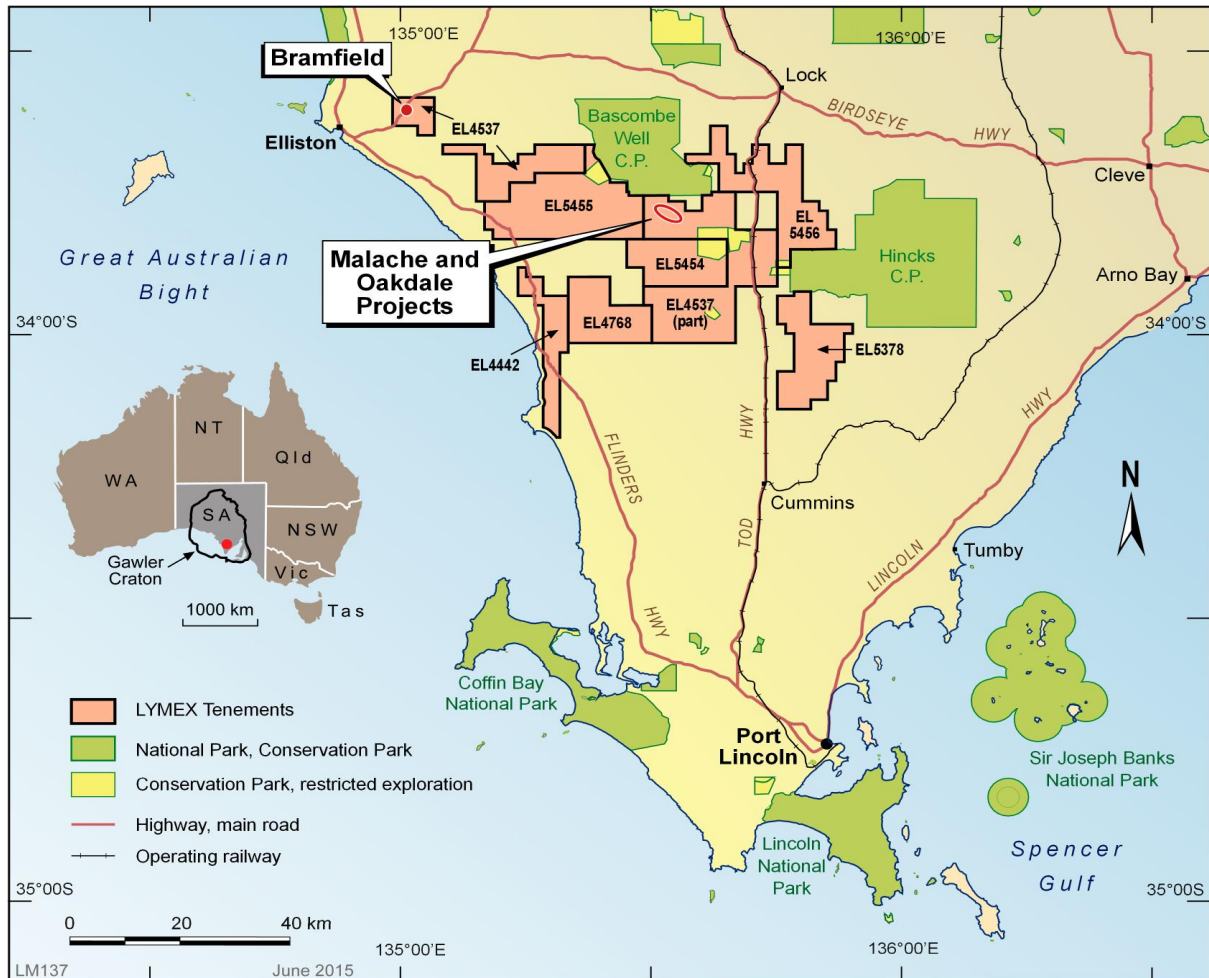
ASX ANNOUNCEMENT

DECEMBER 2015 QUARTERLY ACTIVITIES REPORT

Highlights

- A detailed Scoping Study was completed and released to the ASX on 2 December 2015, highlighting the robust economics of the Oakdale Graphite Project
- Review and re-assay of Diamond Drill Hole BLDD15 drilled one kilometre north of Oakdale demonstrated good thicknesses and grade of graphite mineralisation adding to the potential of the tenement
- Additional metallurgical studies to further define and improve the metallurgical flow sheet were undertaken by ALS and Bureau Veritas
- The Oakdale project economics based on the released Scoping Study were presented at the South Australian Exploration and Mining Conference in Adelaide

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

Scoping Study (Refer ASX release 2 December 2015)

Highlights of this Scoping Study are as follows:

- 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

Summary of the results of the Scoping Study are:

- The Scoping Study highlights the robust economic nature of the Oakdale Graphite Project with an estimated operational cost of mining and processing assessed 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 an 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).

Potential Additional Graphite Resources

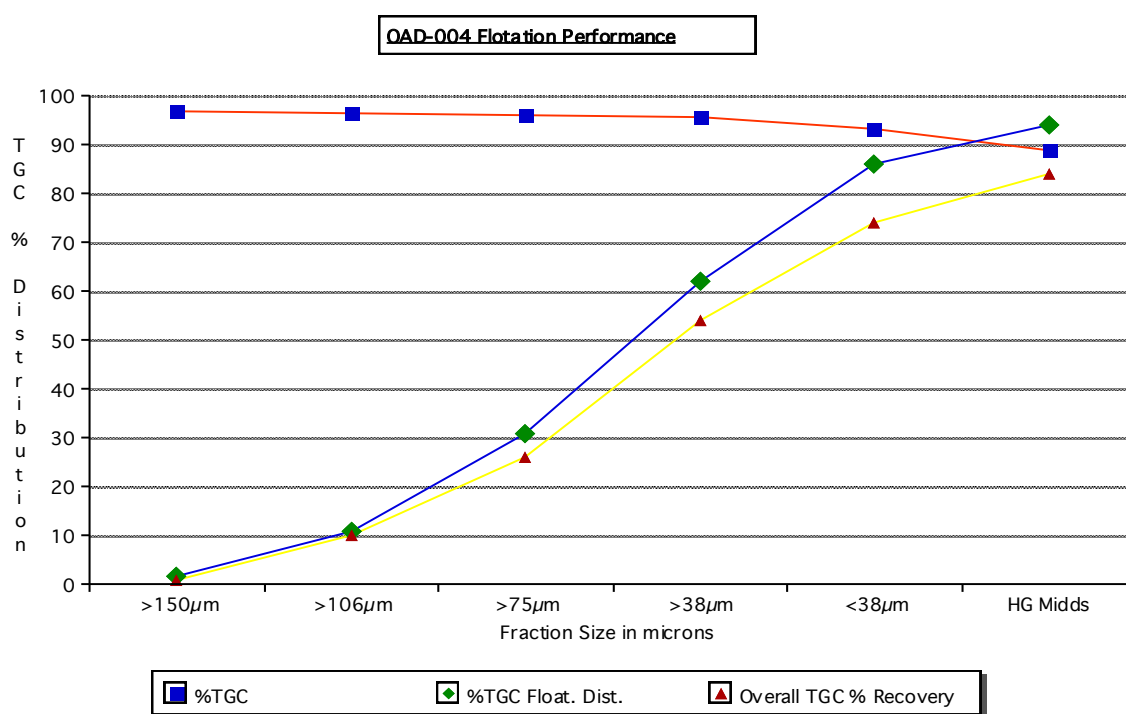
Diamond drill hole BLDD15, approximately one kilometre north of the primary Oakdale project area, previously drilled in 2007 has been assayed for Total Graphitic Carbon ("TGC"). These assays demonstrate that the graphite occurs over 39% of the drill hole, that is over 50 metres in an overall interval of 129 metres and assays received (average 6.6% TGC) are as follows.

From	To	Interval	TGC%
124.12	126.60	2.48	8.99
129.90	136.45	6.55	11.73
142.40	143.74	1.34	12.20
146.90	156.30	9.40	8.42
161.40	162.60	1.20	4.95
168.05	169.60	1.55	8.65
172.30	186.00	13.70	4.76
204.10	207.05	2.95	5.27
239.80	241.80	2.00	7.80
244.64	253.30	8.66	2.14

Metallurgical Studies

Metallurgical testwork is continuing at ALS Burnie and Bureau Veritas in Adelaide to determine the optimal product composition at Oakdale, the target being the greatest revenue per tonne of production.

The test work to date indicates that a 95% to 96% graphite float concentrate can be achieved with 85% recovery of the contained graphite. This float graphite concentrate will be treated by acid washing to obtain a greater than 99% graphite concentrate. These results are encouraging as a 99%+ concentrate has a high economic value and is used in the manufacture of spherical graphite, one of the core ingredients of lithium ion batteries.



The Company's operational expenditure is expected to be considerably lower in the March 2016 quarter, when compared with the December 2015 quarter, as the Company reduces its exploration programme and completes the metallurgical test work referred to above.

For further information 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.