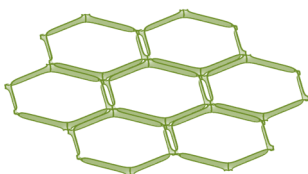


OAKDALE RESOURCES LIMITED

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29 July 2016

ASX ANNOUNCEMENT

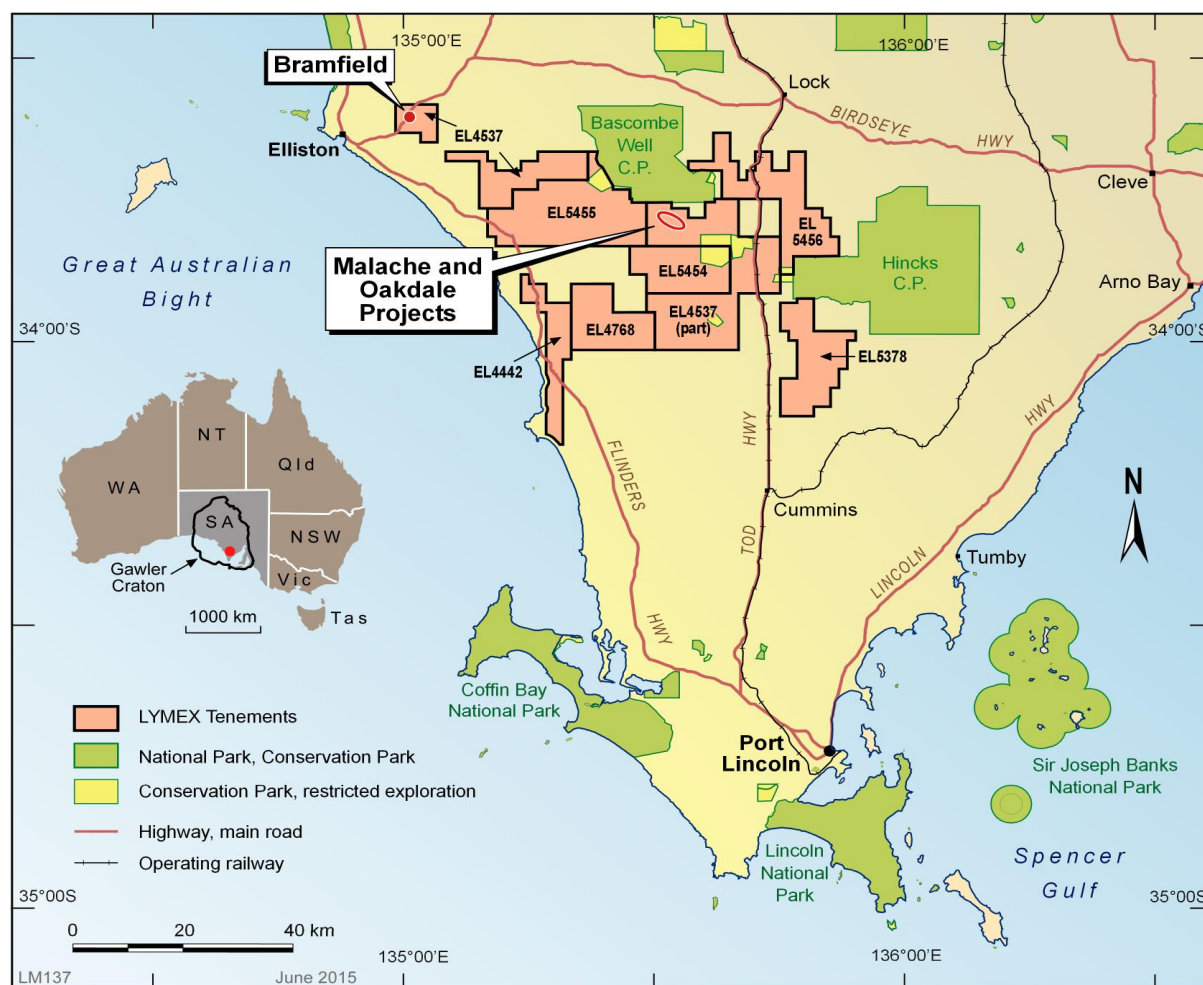
JUNE 2016 QUARTERLY ACTIVITIES REPORT

Highlights

- Oakdale Resources Limited (Oakdale Resources) announced it had made an financially viable discovery of graphite mineralisation at its Oakdale Graphite Project on the Eyre Peninsula in South Australia.
- An ore resource, metallurgical pathway and a positive Scoping Study was completed and released to the ASX highlighting the robust economics of the Oakdale Graphite Project.
- Mineral Resource estimates were delineated for the Oakdale Graphite Project Area consisting of 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*
- A confirmed metallurgical processing route was demonstrated indicating that Oakdale Resources can produce a +90% TGC concentrate by grinding to 90% passing 150µm. Recovery will be approximately 84% overall. A conceptual Oxide Processing Flow sheet for Oakdale Resources graphite has been outlined based on extensive metallurgical test work already conducted.
- Given Oakdale Resources graphite deposits geographical location on Eyre Peninsula in South Australia, and the stable political and economic climate in Australia when compared to the political and economic climate of the countries in which a number of the other graphite companies are located, the company believes it has a significant competitive advantage over many of its graphite competitors.

* 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.



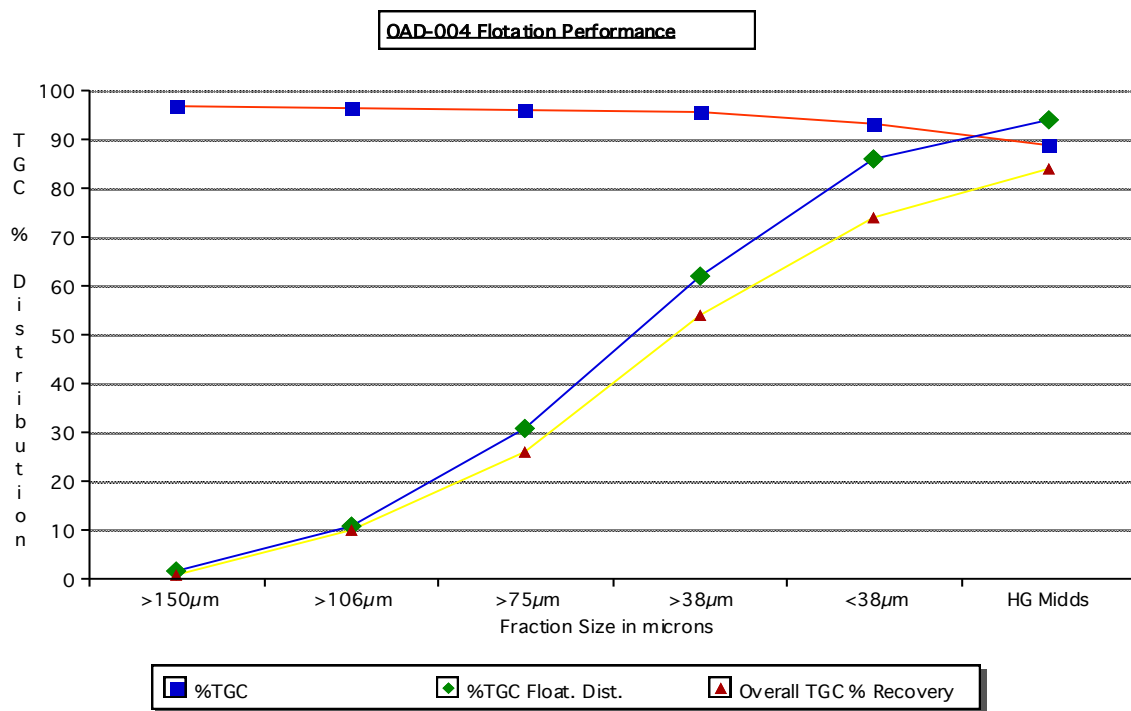
Mineral Resources

- 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.

Metallurgy

The test work indicates that a +90% graphite float concentrate can be achieved with 84% 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.



Oakdale Graphite,
Conceptual Oxide Ore Processing Flowsheet

Scoping Study

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 over 3 years

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 test work conducted by Bureau Veritas in Adelaide, in conjunction with Consultant Metallurgist, Nick Moony of Esker Milling and Processing Pty Ltd with no primary crushing and only minor secondary grinding required.
- The mining cost of approximately AUD \$2.25 per tonne has been estimated by Alliance Contracting. No drilling or blasting is expected to be required.
- The current graphite price for the grades of flake expected to be produced has been used in financial modelling. The incremental pricing for higher grades of graphite by chemical leaching 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 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

Rehabilitation

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

Planned Programme

Work in the coming quarter will concentrate on improving the Scoping Study, preparing for a Mining lease Application and seeking prospective off take partners to develop a financially viable Oakdale Graphite Project.

The Company is also exploring a range of strategic commercial opportunities that are aimed at enhancing shareholder value.

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.