

22 September 2020

ASX Announcement

DIAMOND DRILLING UPDATE

LAMBARSON CANYON GOLD PROJECT, NEVADA

HIGHLIGHTS:

- Diamond drilling at Lambarson Canyon Project, Nevada is progressing well.
- Initial drill core is highly encouraging, indicating that the geology is consistent with the structural target zone that hosts gold mineralisation at surface.
- Construction of site access tracks to the IP target drill pad has exposed outcrop of altered intrusive rocks containing quartz veining and weathered sulphides



Figure 1: Drillrite LLC Atlas Copco Diamond Drill rig on site at Lambarson Canyon in Nevada

Oakdale Resources Limited (ASX: OAR) (“Oakdale” or “the Company”) is pleased to advise that diamond drilling operations at the Lambarson Canyon Project, Nevada United States, are progressing well with drilling of the first hole (*Figure 1* and *Figure 2*) targeting an outcropping high-grade quartz breccia well underway.

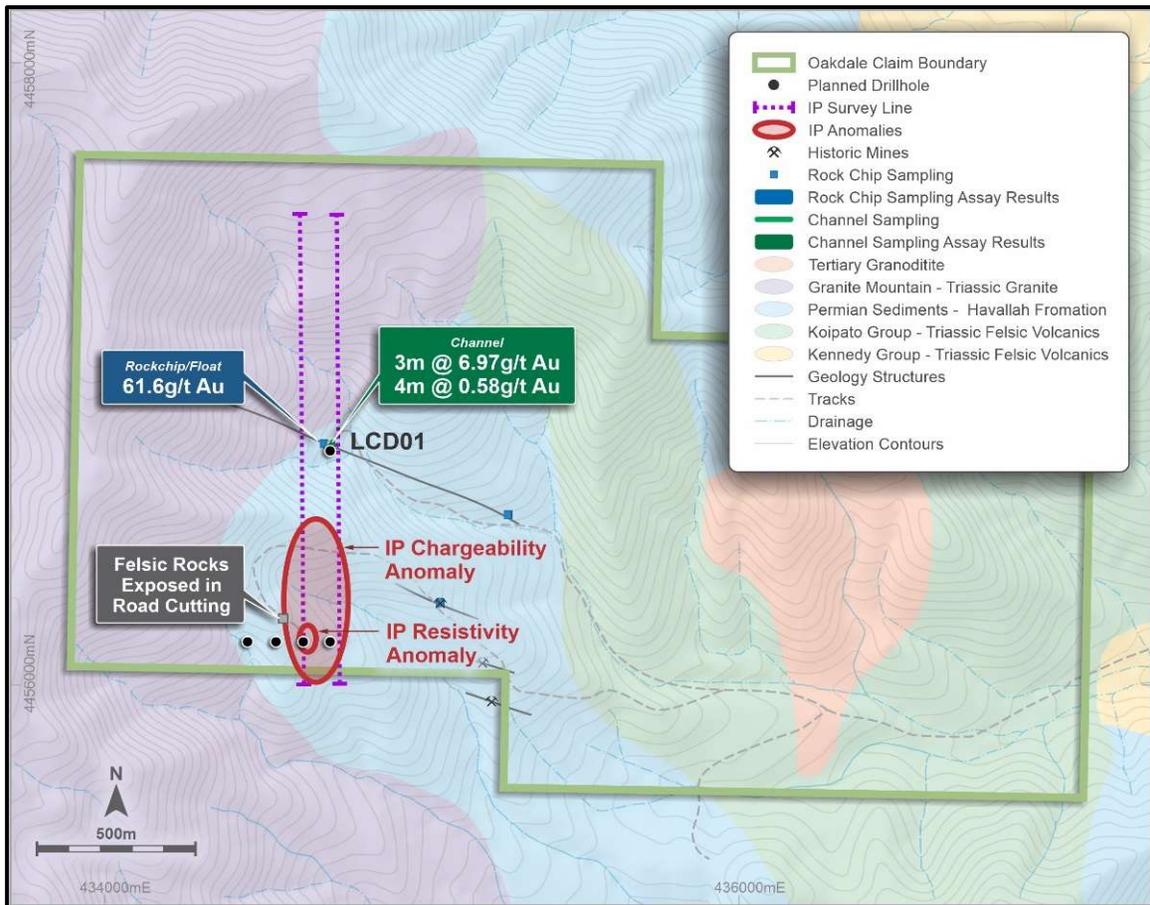


Figure 2: Lambarson Canyon simplified geology showing selected sampling results¹; planned and current drill collars; and IP¹ line locations

Initial observations from drill core from this first hole (LCD-01), indicates that the geology is consistent with the structural target zone which hosts the gold mineralisation at surface. Previous outcrop channel sampling across this structure has returned high-grade results, including 3m @ 6.97g/t gold², and a nearby float sample returned 61.6 g/t gold².

Rock types identified so far in LCD-01 include metasediments, porphyry, and breccia units with rounded and milled fragments.

The identification of a milled breccia unit in the core is highly encouraging, and Oakdale geologists believe it can be correlated with the surface outcrop. These rock types are variably fractured, altered and oxidised in the upper part of the hole (*Figure 3*), which has resulted in difficult drilling conditions. Drilling is proceeding through this highly broken ground at a steady pace to maintain maximum core recovery.

¹ Refer to ASX announcement dated 27 August 2020 for full IP survey details and JORC Tables

² Refer to ASX announcement dated 27 June 2019 for full rock chip & Channel sampling results and JORC Tables

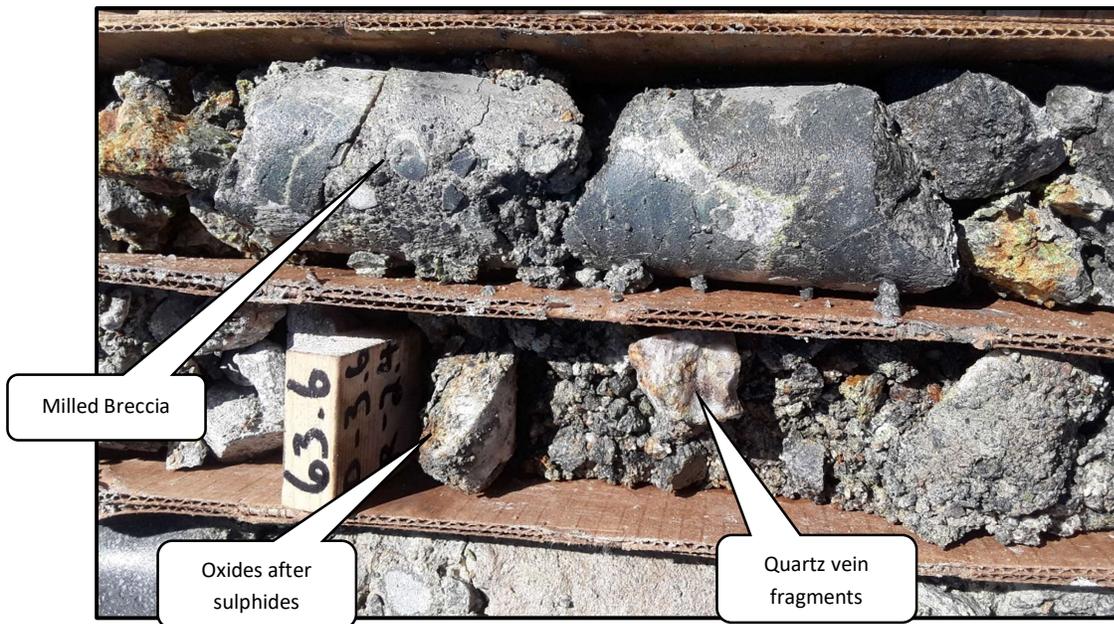


Figure 3: Highly fractured, weathered and altered breccia in shallow (63.6ft or 19.29m), drill core with quartz vein fragments and oxides after sulphides

Drilling is ongoing, with drill samples yet to be sent to the laboratory in Reno for analysis. The planned depth of the hole is estimated to be 250m.

Reconnaissance geological mapping has been carried out in the vicinity of the southern geophysical (IP) target (Figure 2), to take advantage of new bedrock exposures along the new road-cutting to this drill site. Altered felsic intrusive rocks with quartz veins and euhedral oxides (after sulphides), have been mapped along the road cutting (Figure 2 & Figure 4). Additional detailed mapping and outcrop sampling work across the project area is in progress and will be ongoing to provide a better understanding of the localised structures and alteration associated with this mineralised system.



Figure 4: Outcropping altered felsic intrusive rocks with quartz stringers and oxides after sulphides, exposed during road construction



Figure 5: Nevada Projects Locations, with regional mines and reported historic and current resources & reserves³

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³ Refer to ASX announcement dated 3 September 2019 for full details.

About Oakdale Resources Limited

Oakdale Resources is an ASX listed precious metals explorer and aspiring producer. Oakdale recently signed an option agreement to acquire Alpine Resources, which controls three gold exploration projects in Nevada, USA. The projects are in a region that hosts several multi-million-ounce gold deposits. Oakdale's Peruvian subsidiary Ozinca Peru SAC, owns a CIP Gold lixiviation plant, strategically located proximal to thousands of small gold miners in Southern Peru. Oakdale has also acquired Australian Precious Minerals Pty Ltd, holder of the Crown PGE-Nickel exploration asset in Western Australia. Crown adjoins the Julimar polymetallic discovery.

Forward Looking Statement

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Oakdale Resources Ltd.'s current expectations, estimates and assumptions about the industry in which Oakdale Resources Ltd operates, and beliefs and assumptions regarding Oakdale Resources Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Oakdale Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Oakdale Resources Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Competent Person's Statement

The information in this Announcement for Oakdale Resources Limited was compiled by Mr. Geoff Balfe, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Geoff Balfe is a consultant to and shareholder of Oakdale Resources Limited. Geoff Balfe has sufficient experience, which is relevant to the style 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.' Geoff Balfe consents to the inclusion in the report of the matters based on his 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
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. 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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • <i>Sampling has involved four separate methods:</i> • <i>Dump Sampling – a minimum of 1.0kg of rock chips is collected from mine dumps. In order for the sample to be representative at least 25 small rock fragments are composited. As the dumps typically contain a mix of unmineralized waste rock and mineralized quartz vein material the mineralized rock is sampled separately to waste rock.</i> • <i>Channel Sampling – where outcrop is suitable, particularly in old workings, a chip-channel sample is taken across the outcrop. A minimum weight of 1.0kg is maintained and the length of the channel sample and sample description is noted.</i> • <i>Grab Sampling – where outcrop is limited a 1.0kg rock sample is collected from the outcrop. This type of sampling may be highly selective.</i> • <i>Float Sampling – where there is only float of rock particles then a 1.0kg sample is taken by compositing as many small chips as possible.</i> • <i>There is no evidence of coarse gold sampling problems on any of the properties sampled. Repeat assaying by the laboratory gave results within acceptable limits of original assay results.</i>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).</i> 	<ul style="list-style-type: none"> • <i>Oakdale drilling is completed using industry standard practices. RC drilling is completed with a face sampling hammer of nominal 140mm size, AC drilling is with a blade bit and diamond drilling is completed using HQ size coring equipment.</i> • <i>All drill collars are surveyed using handheld GPS.</i>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>Oakdale core is depth marked and orientated to check against the driller’s blocks, ensuring that all core loss is taken into account. Diamond core recovery is logged and captured into the database</i> • <i>No indication of sample bias with respect to recovery has been established.</i>
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically</i> 	<ul style="list-style-type: none"> • <i>All samples have been geologically logged</i>

Criteria	JORC Code explanation	Commentary
	<p>logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Sampling is either by channel sampling, grab sampling, float sampling, or dump sampling • Only channel sampling can be considered to be quantitative; the other methods are qualitative • Some sample intervals have been photographed • Oakdale geological logging is completed for all holes and is representative across the ore body. The lithology, alteration, and structural characteristics of drill samples are logged directly to a digital format following standard procedures and using standardised geological codes. • Logging is both qualitative and quantitative depending on field being logged. • All drill-holes are logged in full. • All cores are digitally photographed and stored.
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Samples were crushed in a hammer mill to 70% passing -2mm followed by splitting off 250gm using a Boyd rotary splitter and pulverizing to better than 85% passing 75 microns • In consultation with the laboratory it was determined to carry out a sample preparation and analytical procedure that is most appropriate for gold and associated base metals. • An 0.5g sub-sample was then subjected to 2-acid digest and ICP-AES and ICP-MS analysis for a multi-element package of elements. • A 30gm sub-sample was subjected to Fire-assay Fusion and ICP analysis. • No duplicate sampling has been carried out. The laboratory regularly carries out repeat assays of high gold samples and agreement with original assays has been acceptable. • The selected sample mass is considered appropriate for the grain size of the material being sampled. •
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of 	<ul style="list-style-type: none"> • Samples were submitted to an ISO certified laboratory for analysis of gold, silver and other metals by the ICP AES or MS technique. • The analytical method and procedure were as recommended by the laboratory for exploration. • As this is early stage exploration with a wide variation in sample results the Company has not inserted control samples in the regular stream of rock samples. This is considered appropriate for early stage exploration. The laboratory inserts a range of standard samples in the sample stream the results of which are reported to the Company.

Criteria	JORC Code explanation	Commentary
	<p><i>accuracy (i.e. lack of bias) and precision have been established.</i></p>	<ul style="list-style-type: none"> • <i>The laboratory uses a series of control samples to calibrate the ICP AES machine.</i>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • <i>Selected sample results which were considered to be significant were subjected to resampling by the Company. Resampling of outcrops or dump samples by different people can result in variation of results by up to +/- 50%.</i> • <i>Primary data is recorded on site and entered into the appropriate database.</i>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • <i>Samples were located using a Garmin GPS 64S unit and are considered accurate to +/- 3m.</i> • <i>The grid system used is UTM NAD 27 Zone 11.</i> • <i>The project area is mountainous with topographic control provided by the GPS and government topographic maps at 1:24,000 scale.</i>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • <i>As this is early stage exploration sample density is controlled by the frequency of outcrop and access to old workings.</i> • <i>The results as reported have not been averaged or composited except in the case of channel samples which may be composited over the length of the channel.</i>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • <i>Sampling is preferentially across the strike or trend of mineralized outcrops</i>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • <i>At all times samples were in the custody and control of the project geologist until delivery to the laboratory where samples were held in a secure enclosure pending processing.</i>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • <i>None undertaken at this stage</i>

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> <i>Mining Claims have been staked and duly recorded with Mineral County (Tonopah North and Douglas County) and Pershing County (Lambarson Canyon) and filed with the Bureau of Land Management (BLM).</i> <i>The relevant claim numbers are either appended to this Table or contained elsewhere in this ASX release.</i> <i>BLM receipts for the filing of the Claims are in the possession of the Company. The claims have been staked by Alpine Metals LLC, a wholly owned subsidiary of Alpine Resources (USA) Pty Ltd.</i> <i>The Togo-A Claim located in the Tonopah North property is subject to an agreement between Alpine Metals LLC and a prospector which allows for acquisition of the claim by Alpine subject to completing certain expenditure within 5 years of the agreement date.</i> <i>All Mining Claims are valid</i> <i>In order to obtain permission to drill the Company must lodge Environmental Performance Bonds with the BLM.</i> <i>The Company is not aware of any impediments to obtaining a licence to operate, subject to carrying out appropriate environmental and clearance surveys.</i>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> <i>There is no record of gold exploration on any of the subject Mining Claims. There are many prospecting pits and mine shafts on the properties but no records of production.</i> <i>The Tonopah North property was at one time held by Tonogold Resources, a Canadian company, which did not carry out any drilling. Sampling data collected by that company has been provided to Alpine and results are in good agreement with the results obtained by Alpine.</i>
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> <i>Tonopah North and Douglas Canyon are low-sulphidation epithermal gold-silver mineralized systems. They are structurally controlled vein style deposits.</i> <i>Lambarson Canyon is considered to be Carlin style gold mineralization due to its geochemical signature and sedimentary host rocks.</i>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the</i> 	<ul style="list-style-type: none"> <i>No drilling information is included in this report</i>

Criteria	JORC Code explanation	Commentary
	<p><i>following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> <ul style="list-style-type: none"> ● <i>If the exclusion of this information is justified on the basis that the 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.</i> 	
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> ● <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> ● <i>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.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● <i>No weighting or averaging techniques have been applied to the sample assay results.</i>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> ● <i>Channel samples have been collected at right angles to the strike or structural trend of the mineralization</i>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● <i>The Company has released various maps, figures and sections showing the sample results and planned drill holes.</i>

Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All analytical results for gold have been reported. The results for other metals have only been reported where they are considered to be of potential economic interest e.g. silver.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> This report includes results from recent Geophysical Surveys. Results from this survey are included in the body of this report. Parameters for the surface electromagnetic surveys include: <ul style="list-style-type: none"> Configuration: pole-dipole IP/resistivity survey Line and station spacing: 100m x 50m TXIV 20amp IP/resistivity transmitters GDD RX32 IP/resistivity receiver measurements were made in the time-domain using a two-second half-duty cycle An integration window from 0.5 to 1.1 seconds was used for the calculation of the chargeability values presented IP models presented in this report have been calculated using the Res2dinvx64 algorithm
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral 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. 	<ul style="list-style-type: none"> Initial drill hole locations have been selected based on the preliminary sampling and geological mapping. It is intended to refine the drill hole locations with the benefit of geophysical surveys (resistivity) and the results of any further geochemical sampling. Additional geophysical surveys will be carried out as justified by results.