

Oakdale Resources Ltd

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Oakdale Resources flags golden possibilities for Nevada and Peru pick-ups

The Alpine gold projects in Nevada — Tonopah North, Douglas Canyon and Lambarson Canyon — can be picked up with a company acquisition

Collectively known as Alpine Gold Project, the assets target more than 2 million ounces of gold

Two-stage drilling over the coming year could produce an Alpine project JORC resource by the second half of 2020

In Peru, Oakdale can pick up a gold mine and ramp up its Chimu plant to 200 tonnes a day by toll mining suppliers' ore and its own feedstock

With our Peruvian project nearing production, the company has been seeking an exploration project to ensure a growth pipeline.

The Nevada project we have identified is in 'elephant country' for world-class gold deposits in one of the world's most prolific and mining-friendly jurisdictions.

With excellent grades, in proven gold country with major operations in close proximity and gold prices at all-time highs, this acquisition appears to be an appropriate next step for the company.

Oakdale chairman Chris Gale

What does Oakdale Resources do?

Oakdale Resources Ltd (ASX:OAR) (FRA:F1S) is a dual-listed gold explorer and developer with projects in Peru and Australia and the potential to pick up gold projects in the US state of Nevada.

By spending US\$700,000 (A\$1.1 million) on an exploration campaign and committing a further US\$500,000 for drilling, the company can acquire Alpine Resources (USA) Pty Ltd as a subsidiary.

Oakdale has several drilling campaigns planned for the rest of the year as it moves to reach a number of project milestones in the US, Australia and Peru.

The company is led by chairman Chris Gale, a founding director of Perth-based corporate advisory firm Allegra Capital.

Gale is a founder and executive director of Latin Resources Ltd (ASX:LRS) (FRA:XL5)

Price: 0.003

Market Cap: \$1.66 m

1 Year Share Price Graph



February 2019 October 2019 February 2020

Share Information

Code: OAR

Listing: ASX

52 week High Low
0.029 0.002

Sector: General mining & base metals

Website: www.oakdaleresources.com.au

Company Synopsis:

Oakdale Resources Ltd (ASX:OAR) holds the Oakdale Graphite Project on Central Eyre Peninsula in South Australia.

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and past chairman of the Council on Australian Latin American Relations established by the Australian Government Department of Foreign Affairs and Trade.

What assets is Oakdale eyeing in Nevada?

The key asset is the company's potential pick-up Alpine and its three gold projects in the US state of Nevada where 74% of the North American country's gold is mined.

Nevada was named the most attractive jurisdiction in the world for mining investment in this year's Fraser Institute Annual Survey of Mining Companies, an advancement on its number three industry ranking for 2017.

Oakdale acquisition target Alpine has three gold projects in the state — Tonopah North, Douglas Canyon and Lambarson Canyon — which are collectively known as the Alpine Gold Project.

Alpine project exploration leader Geoff Balfe has more than 20 years' in-country experience and more than 40 years industry experience.

Balfe led the teams that discovered the 700,000-ounce Ova?ik gold deposit in Turkey's Ozmir province and the 2.3-million-ounce Long Canyon deposit in Nevada, which is being developed by Newmont Mining Corp (NYSE:NEM).

Australian-headquartered Oakdale could target more than 2 million ounces of gold with its potential pick-up Alpine project.

Oakdale raised close to A\$500,000 in an August 2019 placement, allowing it to put funds towards advancing the company's interest in Alpine and a gold plant project in Peru.

Under a timeline released last week, a geophysics program for Alpine project could run through the December 2019 financial quarter, as stage I drilling was also undertaken.

Second stage drilling could then kick off in the March 2020 quarter as the company moved toward JORC resource definition work in the September 2020 quarter.

How can Oakdale deliver returns in Peru?

In Peru, Oakdale owns the Chimu processing plant, 660 kilometres by highway from Lima and 40 kilometres from the coastal town of Chala.

The plant is near export port amenities and two concessions known as the Burpar project, which could provide high-grade ore as a feedstock.

Burpar project is in coastal batholith in southern Peru.

Oakdale has an option to acquire the 1,500-hectare project which also includes Hanai Gold Mine where high-grade veins have been mined underground along the Nasca-Ocoña belt.

Oakdale is undertaking a due diligence process for a potential acquisition of the mine for feedstock purposes.

If Oakdale commissions its plant and uses supplies from Burpar, it expects gold

production costs of US\$482.30 an ounce, based on mine costs of US\$145 a tonne.

The company has calculated expected costs if it sources ore from other miners.

If the price it paid was about US\$356 a tonne, the Peruvian input price when gold is traded for about US\$1,250 a tonne, then gold production costs would be about US\$880.80 an ounce.

The spot gold price was about US\$1,511.35 today after gold prices reached five-year highs less than a fortnight ago.

Oakdale assumes it can achieve 92% recoveries from toll processing and long-term annual production of 90,000-100,000 ounces with three 200 tonnes a day plants by the five-year mark.

Funds raised in Oakdale capital drives could help it upgrade Chimu plant output to 40 tonnes a day or a 6,600-ounce output in the March financial quarter of 2020.

On Tuesday last week, a company projects development timeline showed it could target an upgrade to 120 tonnes a day, or a 20,000-ounce capacity, in the June 2020 quarter.

An upgrade to 200 tonnes a day, or 33,400 ounces, could then be envisioned for the December 2020 quarter.

Inflection points

- Project acquisition announcements and decision making
- Funding milestones
- Drilling achievements
- Definition of resources and other milestone events
- Ramp-up schedules and company funding structures

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