

OAKDALE RESOURCES LIMITED

Oakdale Graphite Presentation

**Surging global demand for batteries means expanded demand for graphite.
The race is on for reliable graphite supplies**

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Presented by

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COMPETENT PERSONS: The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Mr. John Lynch, Member of the Australian Institute of Geoscientist, Fellow of the Australian Institute of Mining and Metallurgy, Foundation Fellow of A.I.C.D. and Managing Director of Oakdale Resources Limited. Mr Lynch has sufficient experience which is relevant to the activity being undertaken 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 and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

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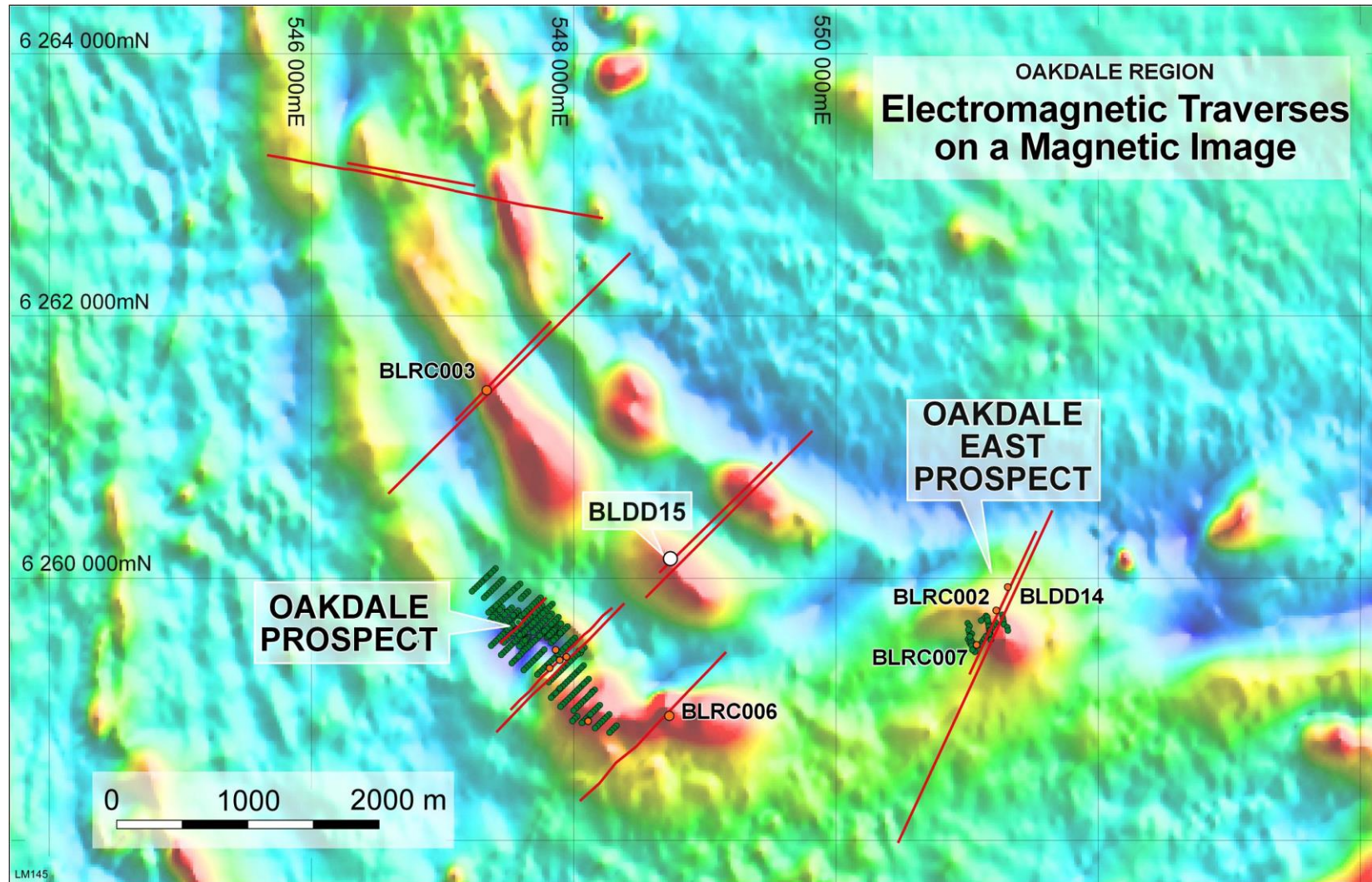
Oakdale Project area



Air core drill rig – Oakdale Project area



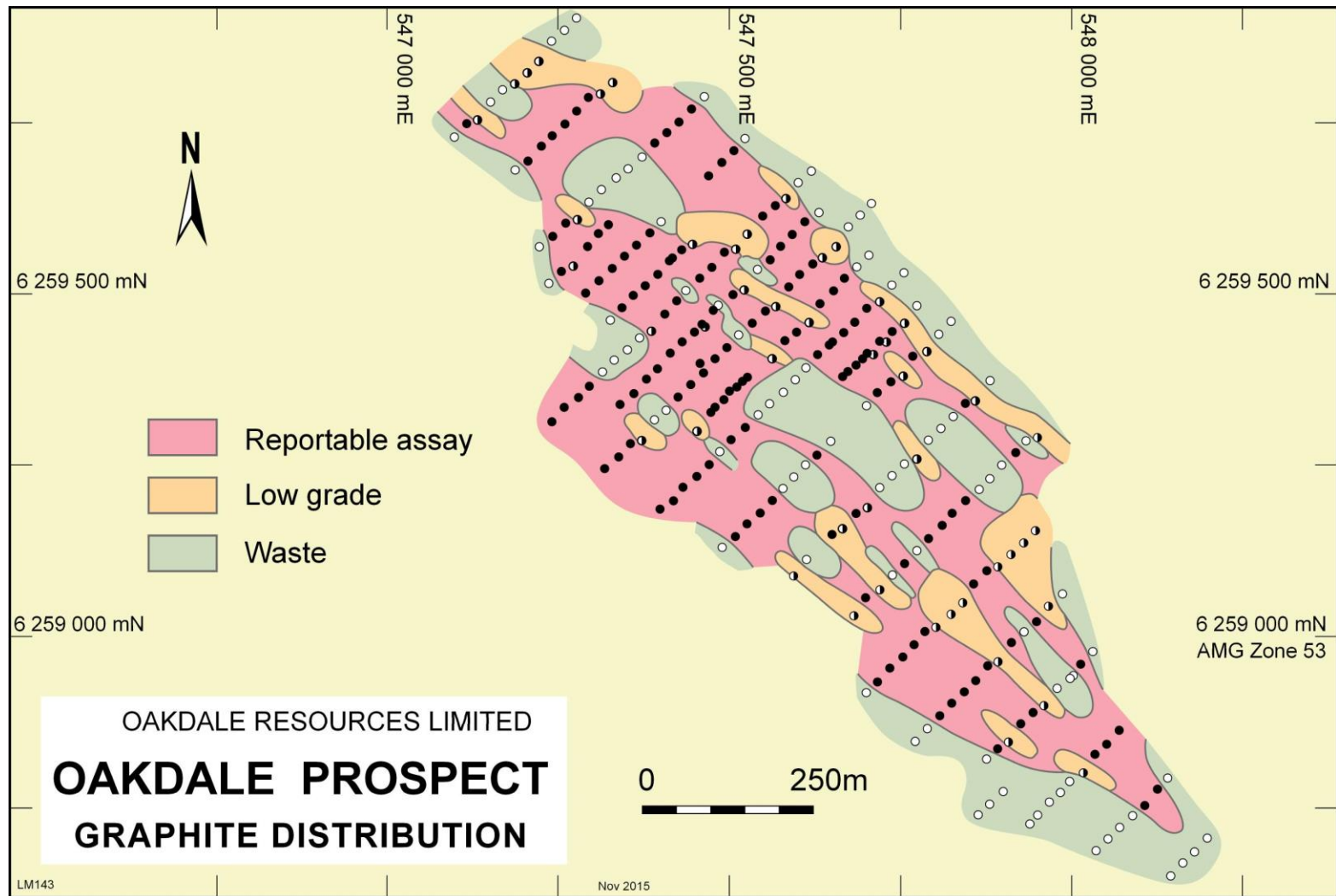
Relationship between Oakdale, Oakdale East and recently announced BLDD15 (50 metres of 6.6% TGC)



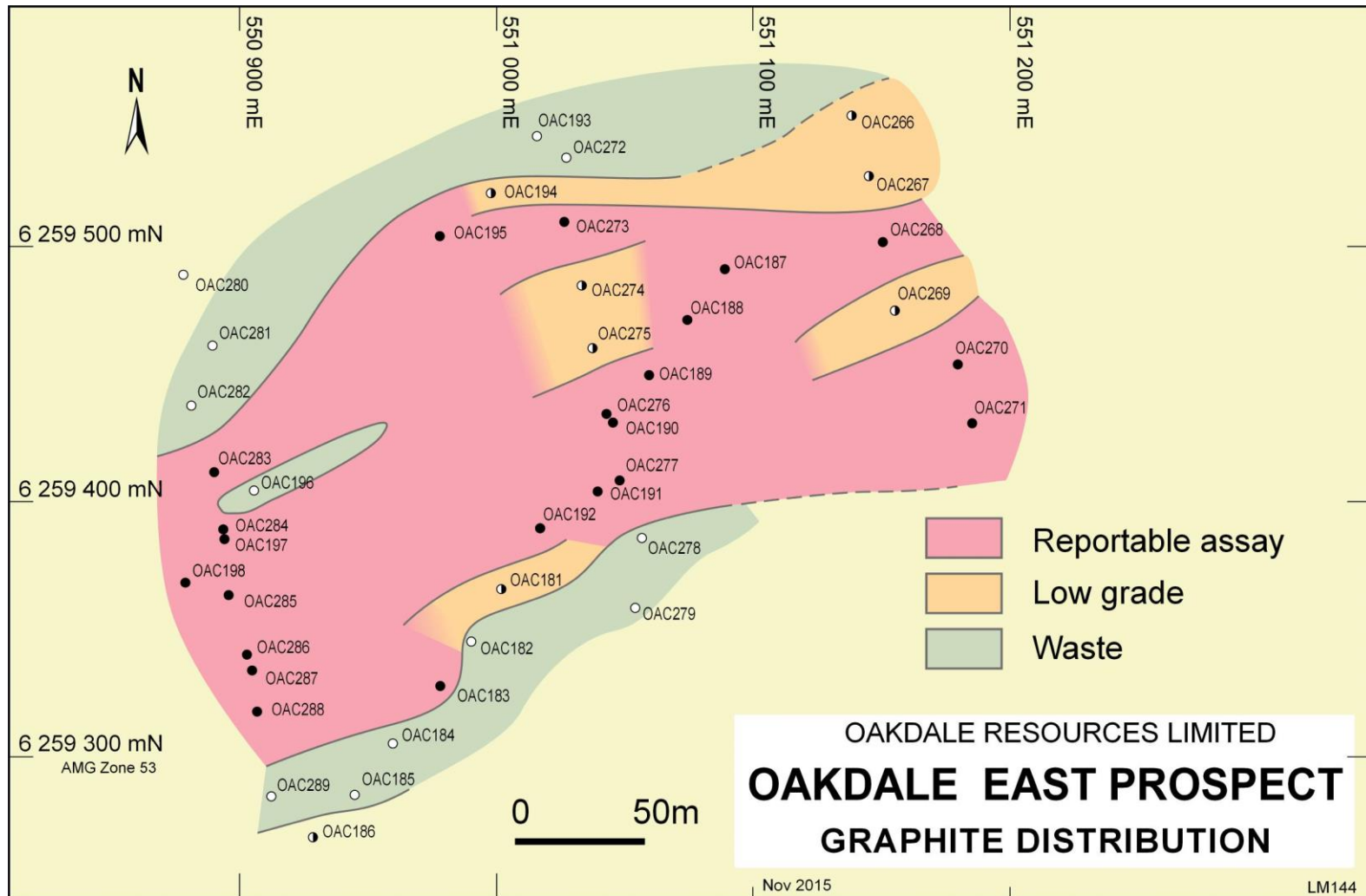
Regional Prospect Diamond Core and RC Intersections

Hole No	From	To	Interval	TGC_%	Comment
BLDD14	120.00	126.30	6.30	7.32	
	151.00	173.50	22.50	2.08	
	185.50	195.50	10.00	1.69	
BLDD15	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	
BLRC002	198.00	249.00	51.00	2.99	Total Carbon Analyses
incl	198.00	215.00	17.00	5.53	Total Carbon Analyses
BLRC003	97.00	163.00	66.00	3.41	Total Carbon Analyses
	incl	97.00	115.00	18.00	7.91 Total Carbon Analyses
BLRC006	95.00	113.00	18.00	3.11	Total Carbon Analyses
BLRC007	62.00	95.00	33.00	6.10	Total Carbon Analyses
	incl	62.00	77.00	15.00	10.18 Total Carbon Analyses
		125.00	152.00	27.00	3.84 Total Carbon Analyses

Completed – 298 air core holes totalling 16,643.5 metres and 11 diamond drill holes totalling 603.5 metres since March 2015



Completed – 42 air core holes totalling 2,480.5 metres since March 2015



Boudin flanked by graphite



Soft saprolitic graphite rich clays

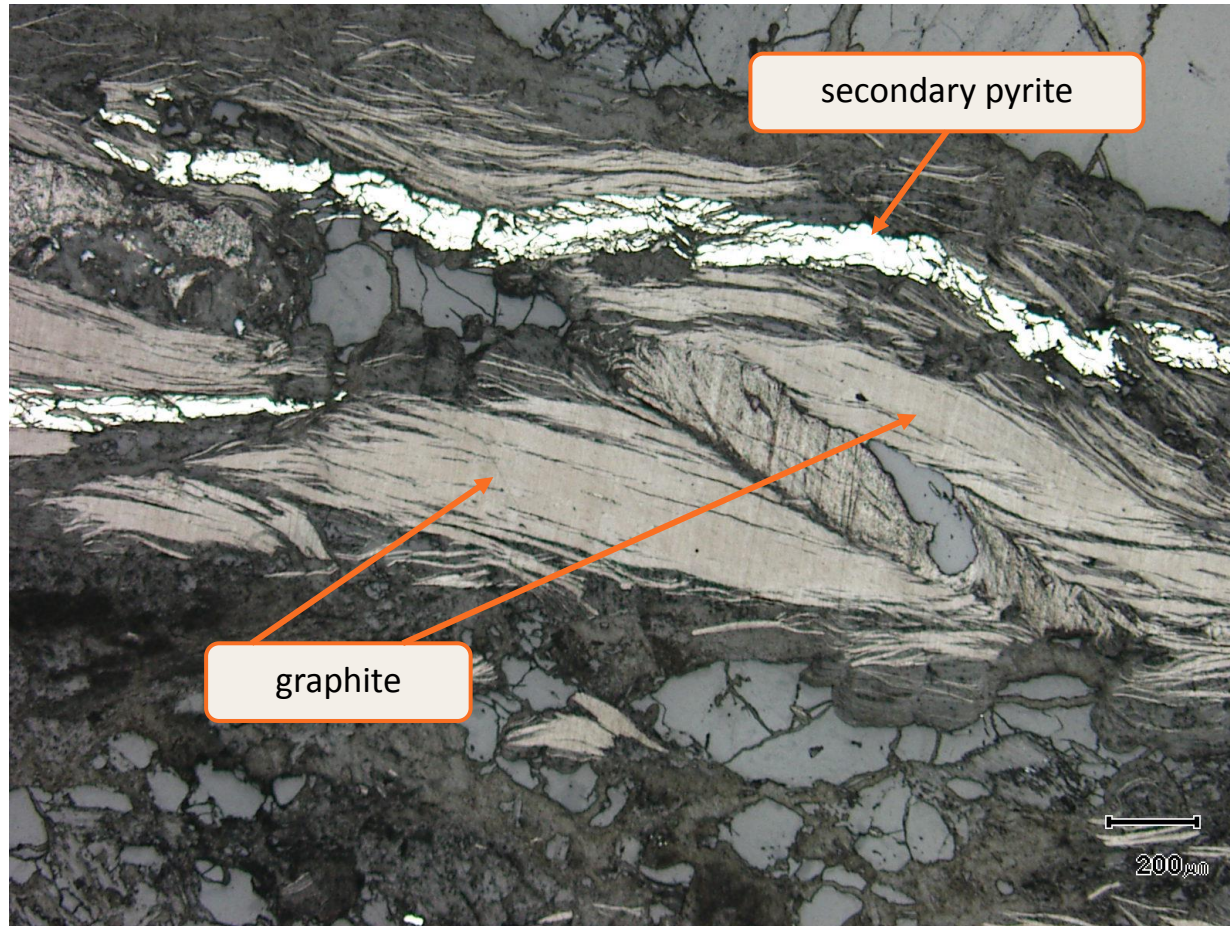


High grade graphite drill core – 36.2m to 42.2m @ 19.71% TGC



Extremely coarse grained graphite is present within the Oakdale deposit.
Here a coarse grain has been folded and partially recrystallised.

Drill-hole OAD06-41.33m



Mag. x 50; scale bar = 200μ;reflected light

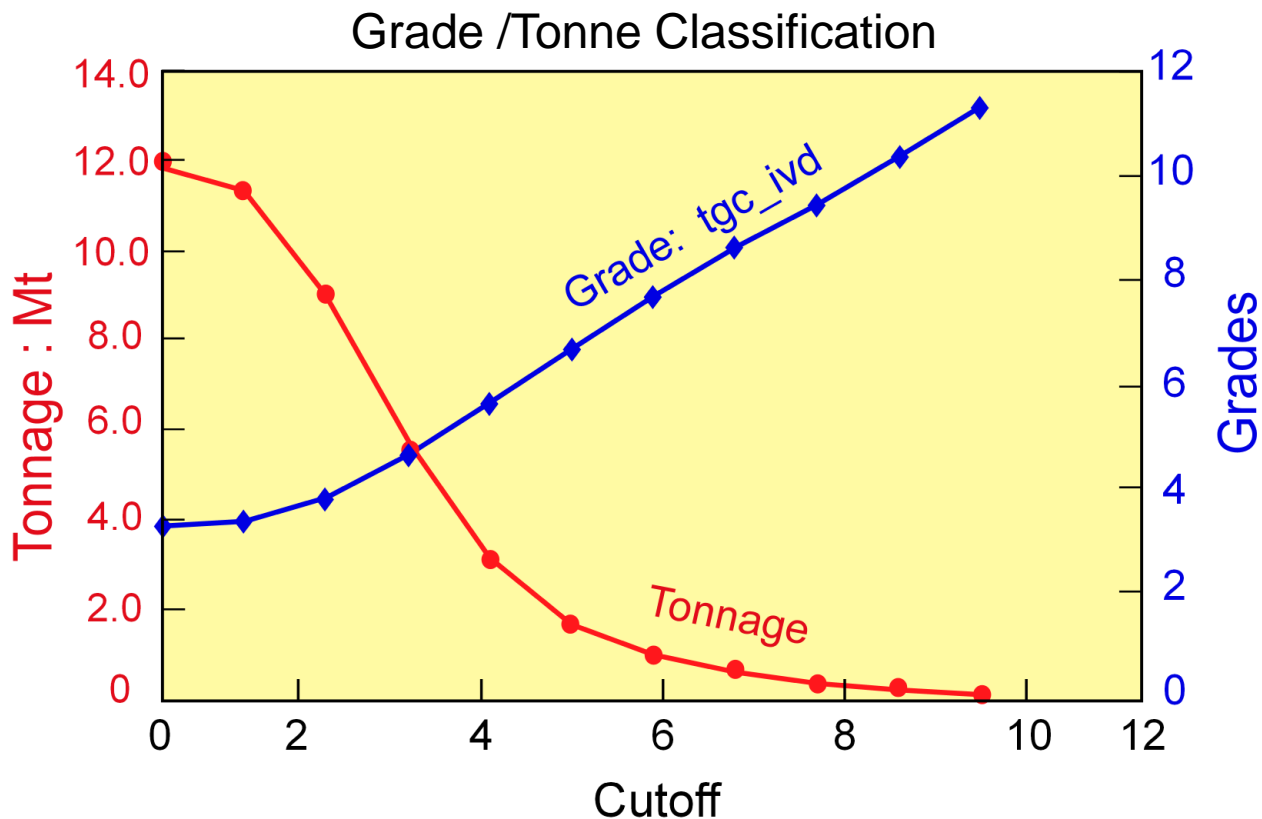
Mineral Resources

	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

Tonnage – grade curve for total graphitic carbon for the Oakdale deposit

Ore Resource - Oakdale

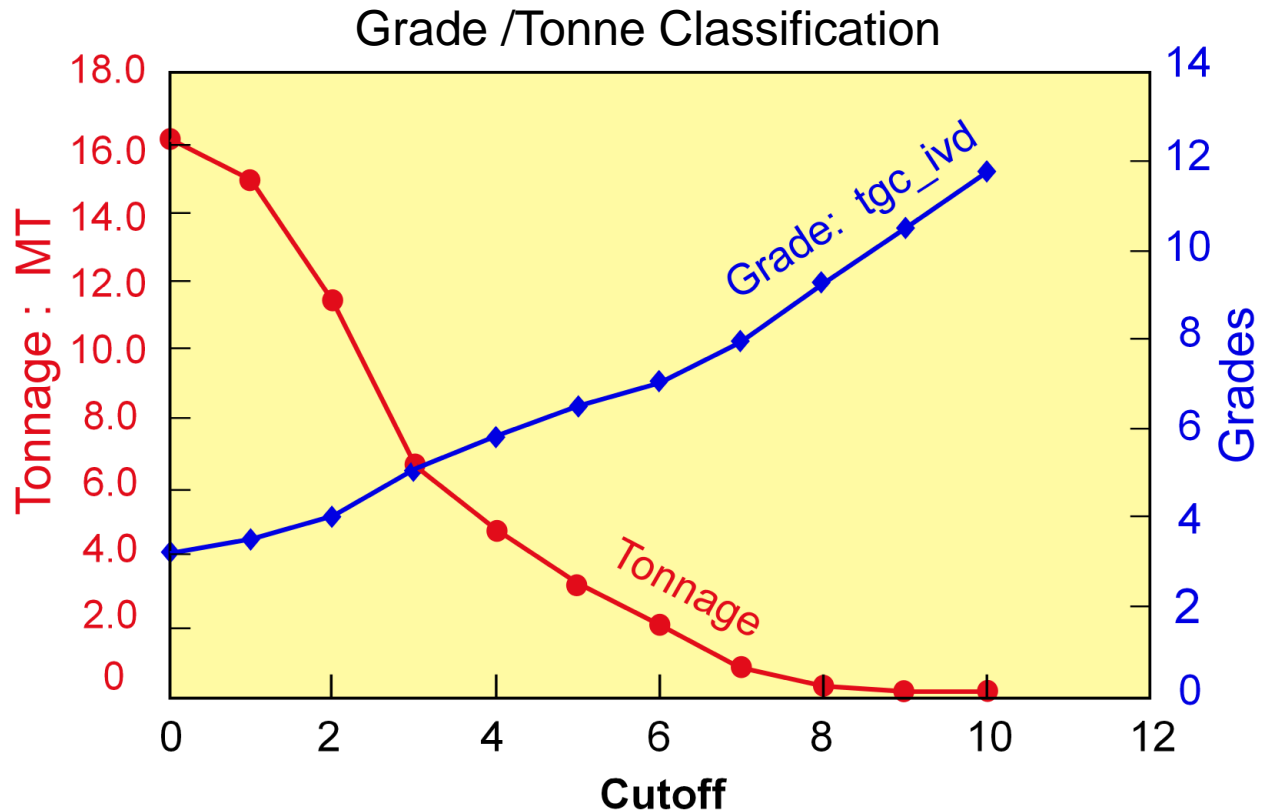
Cutoff	tgc	Tonnage
0	3.3	11 845 880
1	3.4	11 321 720
2	3.8	9 035 040
3	4.7	5 641 640



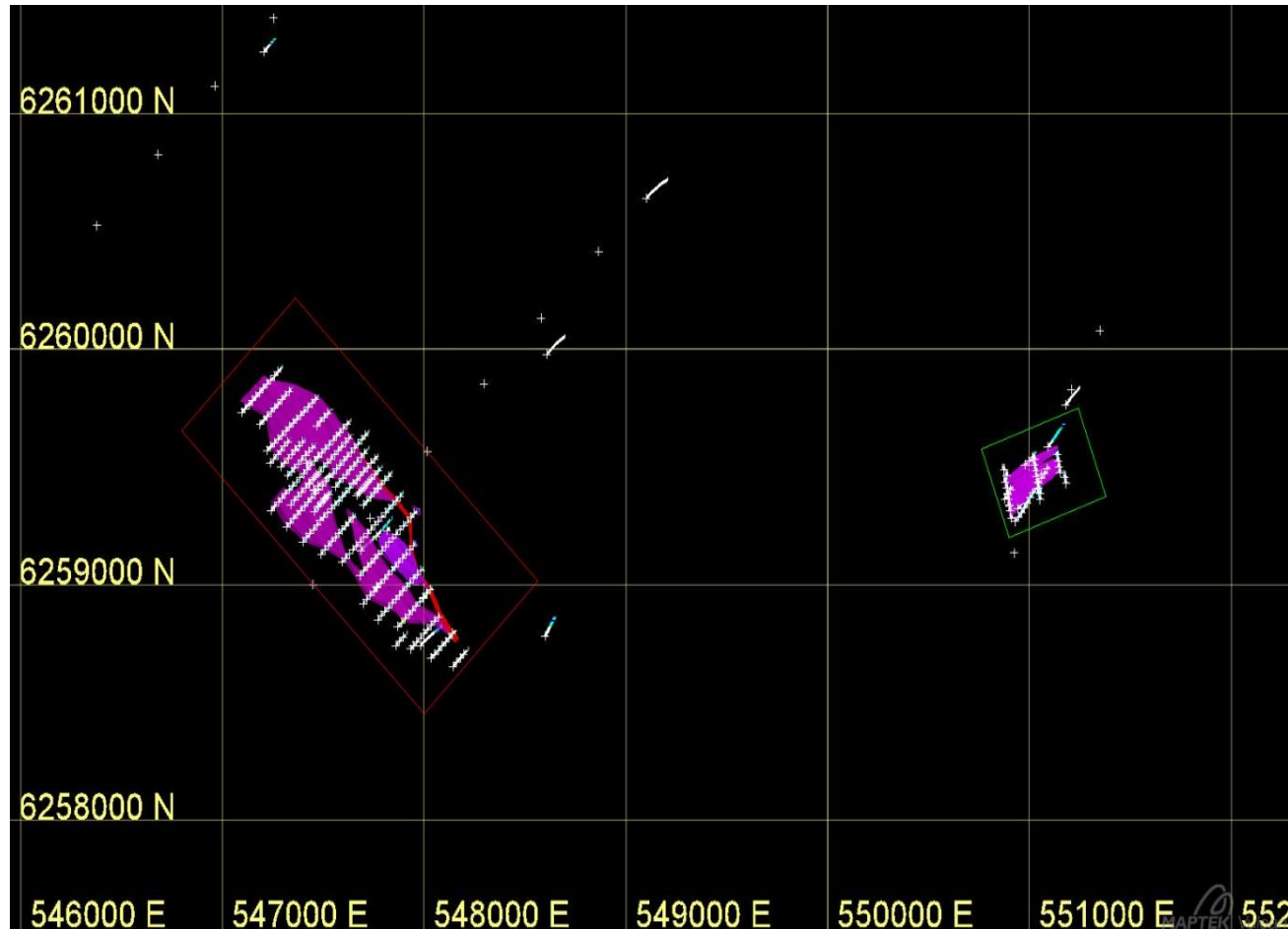
Tonnage-grade curve for total graphitic carbon for the Oakdale East deposit

Ore Resource – Oakdale East

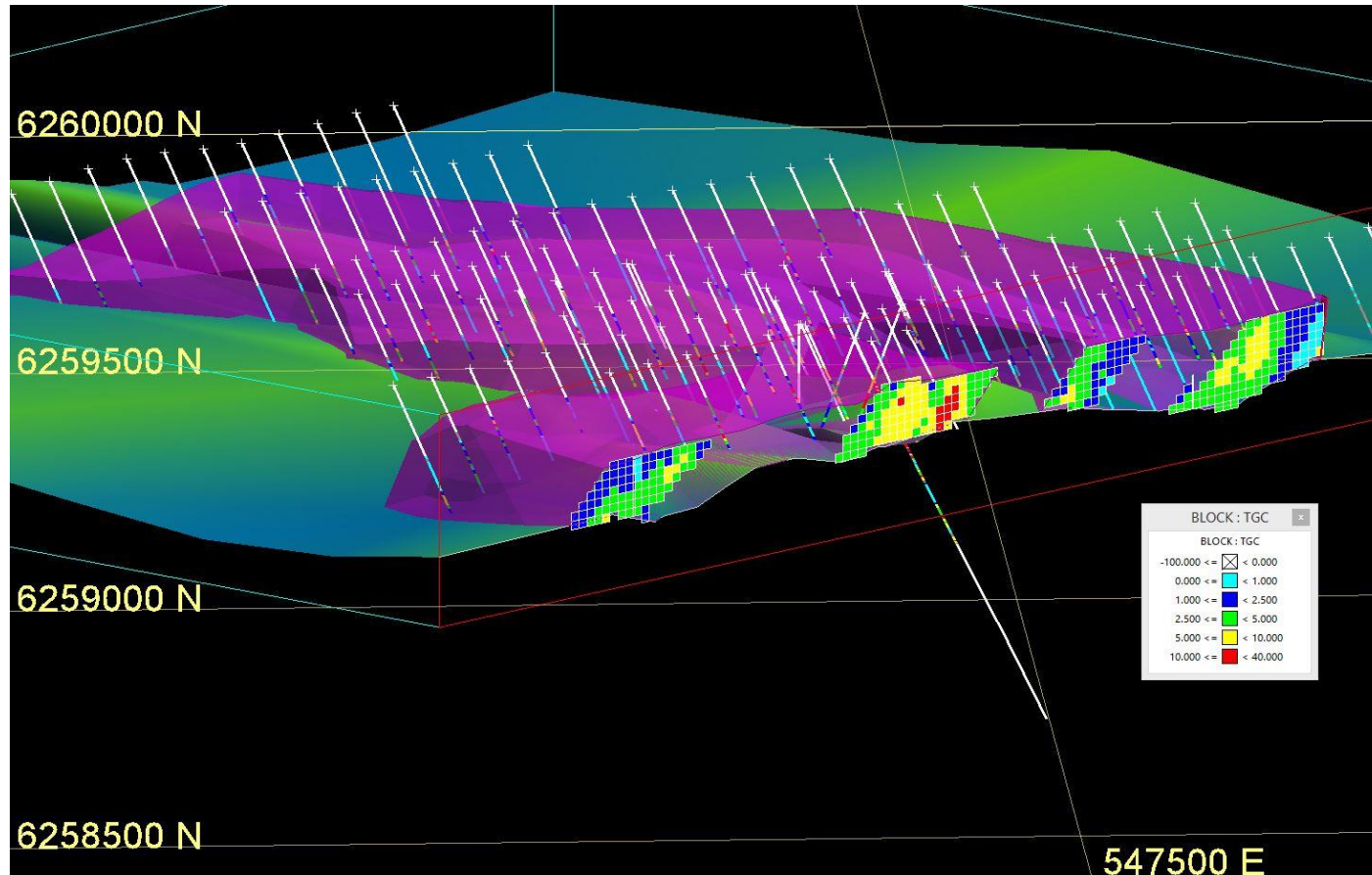
Cutoff	tgc	Tonnage
0	3.2	1 617 840
1	3.5	1 489 320
2	4.0	1 145 880
3	5.1	667 440



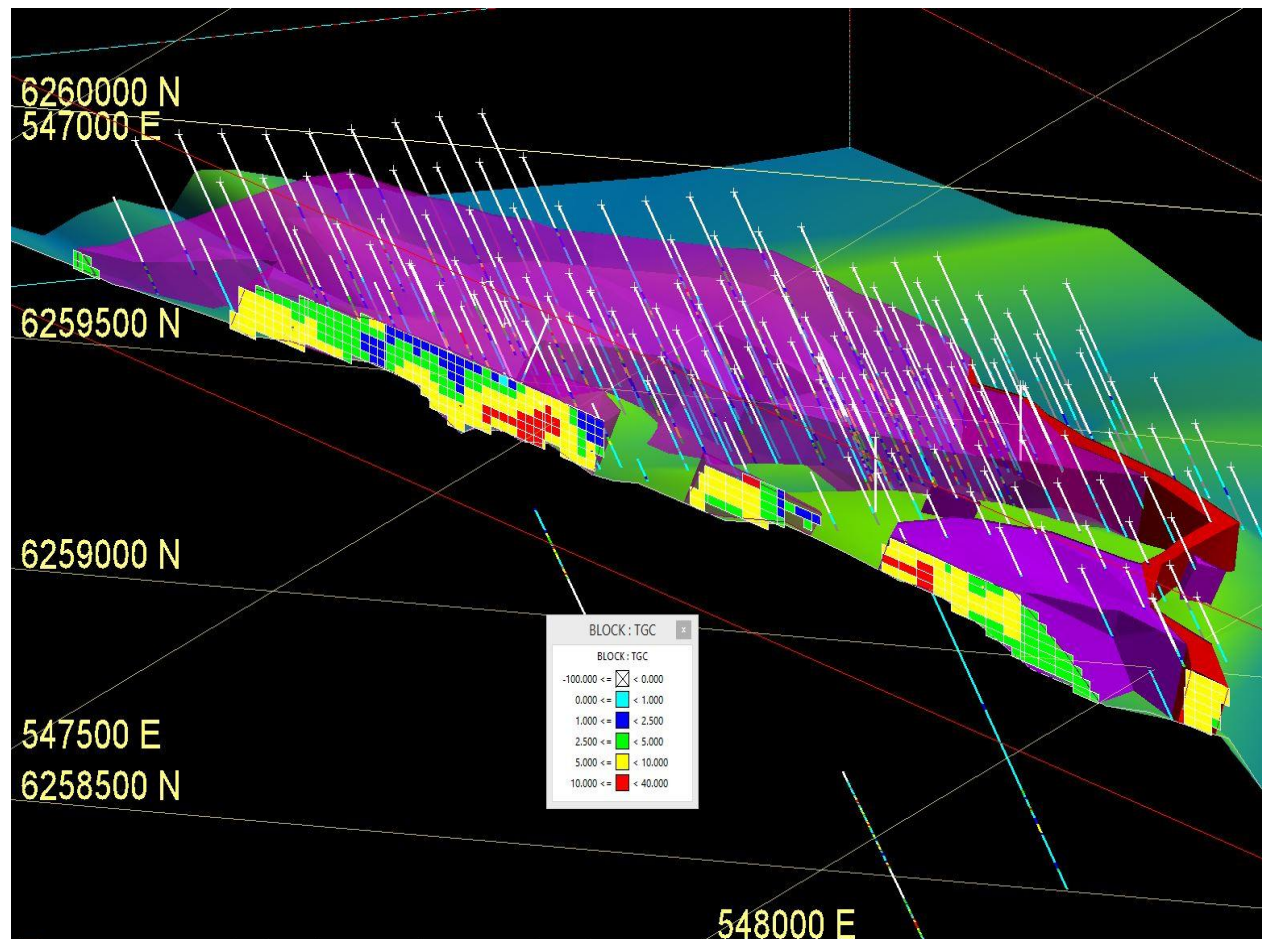
Relationship Oakdale and Oakdale East for the calculation of ore resources



Cross section through Oakdale ore resource



Cross section through Oakdale ore resource

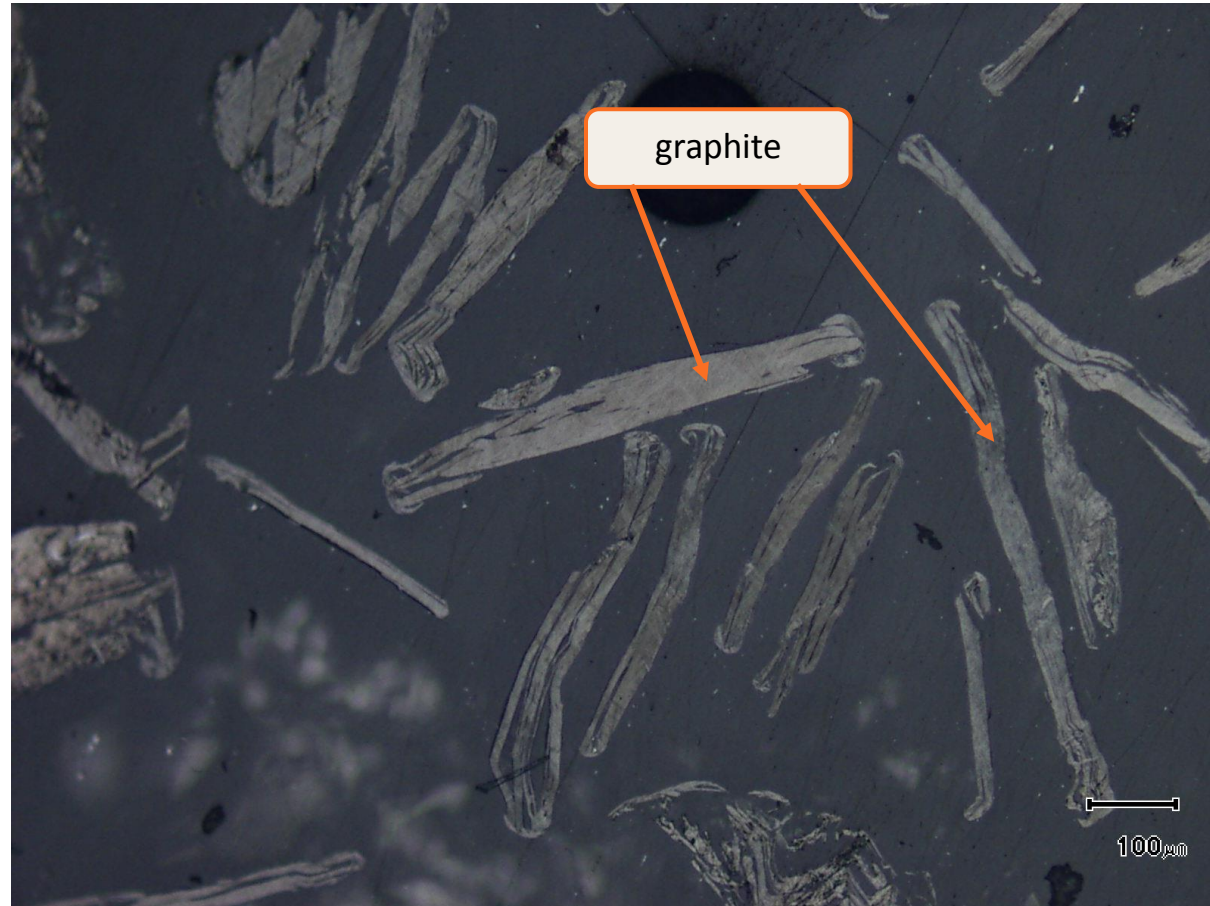


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Coarse flake graphite, free of impurities, is shown here in the +250 μ concentrate

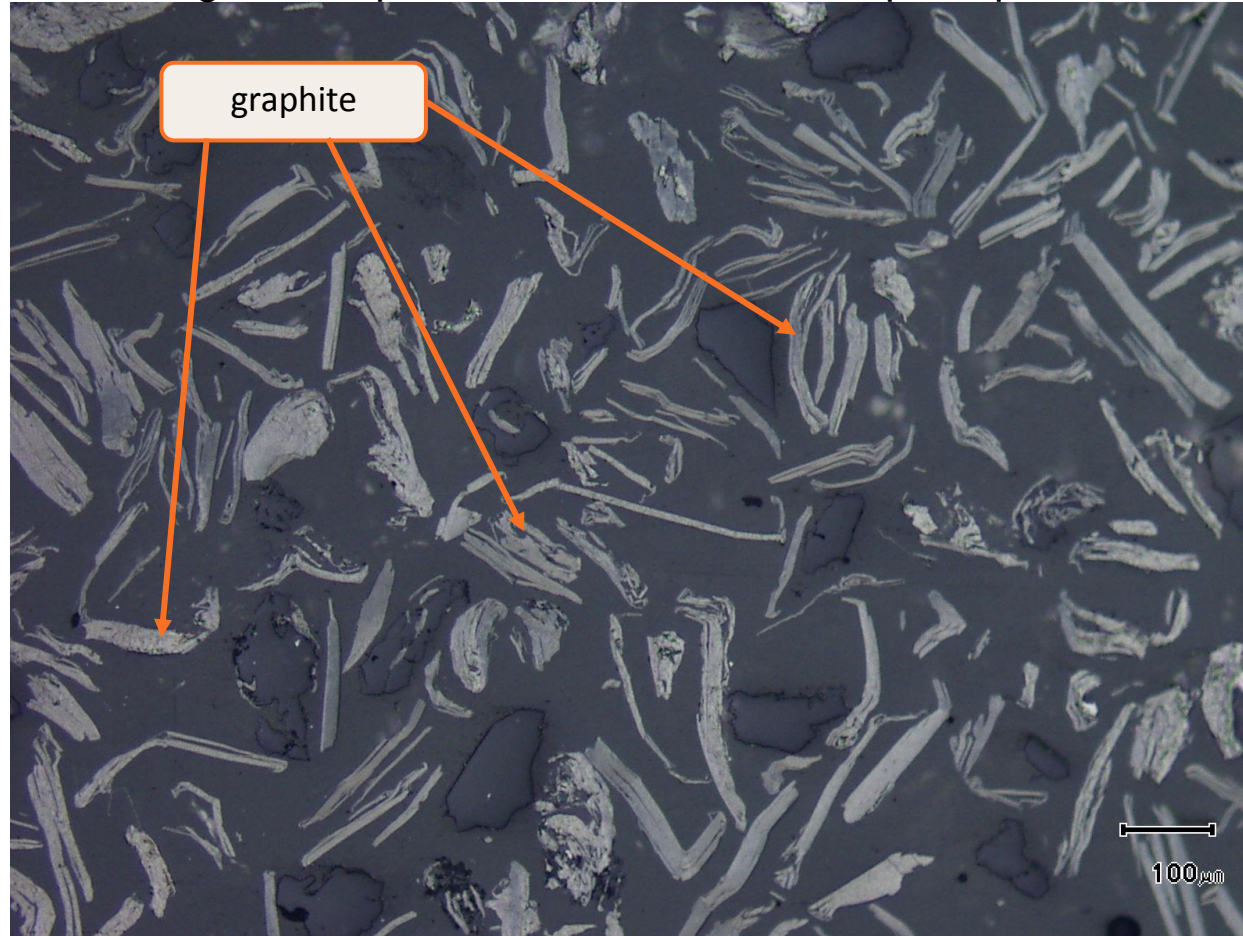
Metallurgical sample TSW 312 20%HF +250 μ



Mag. x 100; scale bar = 100 μ ;reflected light

This metallurgical concentrate shows the “clean” nature of the recovered graphite.

Metallurgical sample TSW 312 20%HF -150 μ +75 μ



Mag. x 100; scale bar = 100 μ ;reflected light

Preliminary Scoping Study

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

Scoping Study Parameters

Mining Parameters

<i>Parameter</i>	<i>Value</i>
Cut-off Grade	3% TGC – Years 1 – 3.0
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

Financial Assumptions and Outcomes

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

Estimated Capital Cost for Treatment Plant (Mill)

CAPITAL	
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 (≈ 84t.p.h. ≈150m3 cell capacity BGRINM cells)	\$ 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

Milling Costs

BUDGET ESTIMATE	Total \$	\$ per tonne
Milling Rate 250.00 tph @ 4.5% TGC, 8,200hpy		
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
Milling cost	\$ 17,523,000	8.81

TOTAL CAPITAL COSTS

\$AUD

Mill	48.0m
Contractor	0.2m
Operations Expenditure (12 months)	27.6m
Prestrip	<u>0.5m</u>
	76.3m

Net Present Value

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

Positives of Oakdale Project

- ❖ Location – 20 kilometres to sealed highway
- ❖ Environmental – calcrete landscape
- ❖ Freehold Land
- ❖ Water Basin potential (saline)
- ❖ Geology – Continuity, width, thickness, significant demonstrated regional potential and shallow resources
- ❖ Mining – No drilling or blasting
- ❖ Metallurgy – Easily treatable – no crushing or primary grinding
 - Removal of ~60% of feed with <20% loss of graphite
- ❖ Potential to return waste to open pit

THANK YOU VERY
MUCH FOR YOUR
ATTENTION