DAKOTA MINERALS
ACN: 009 146 794

CORPORATE DIRECTORY

Non-Executive Chair
John Fitzgerald

Managing Director - CEO
David J Frances

Executive Technical Director
Francis Wedin

Non-Executive Director
Dudley J Kingsnorth

FAST FACTS

Issued Capital:	363.8m
Options Issued:	31.1m
Market Cap:	$24.0m
Cash:	$16.7m

CONTACT DETAILS

25-27 Jewell Parade
North Fremantle 6159
info@dakotaminerals.com.au

T: +61 8 9336 6619

www.dakotaminerals.com.au

ACN: 009 146 794

Sepeda Lithium Project Update on Phase Three Drilling

– For Immediate Release –

Highlights:

- **Phase Three drilling well under way, with four drill rigs now operational**
- **Approximately 17 holes for 2,000m completed to date**
- **Drill plan for Phase Three is for 9,000m over 47 holes, including 4,500m of diamond core drilling**
- **Drilling will facilitate a Resource update in CY Q3 2017, as well as detailed metallurgical testwork to be used in a Feasibility Study.**

Dakota Minerals Limited ("Dakota", "DKO", or "Company") is pleased to provide an update from its 100%-owned **Sepeda Lithium Project ("Sepeda")**, Portugal, the largest JORC lithium pegmatite resource in Europe.

Phase Three drilling is now well under way, with four rigs operational on site, consisting of two reverse circulation (RC) and two diamond drill rigs. To date, a total of 17 holes for approximately 2,000m of drilling have been completed in phase three. The total planned programme is for approximately 9,000m of drilling from 47 holes, of which 4,500m will be diamond drill core.

The drilling is designed to infill and extend the maiden Resource at the Romano pegmatite, announced by Dakota on the 20th of February 2017, as well as to continue testing other pegmatites within the Carvalhais Pegmatite Swarm at Sepeda. The Company plans to use the results of the drilling for a Resource update in CY Q3 2017. Diamond core drilling will also provide material for detailed metallurgical testwork to be undertaken as part of a Feasibility Study later in the year. Preliminary metallurgical test work results are due in one to two months.

Dakota Minerals CEO David Frances commented: *"The Company continues to progress Sepeda rapidly towards a decision to develop. Dakota is in a very strong position with the*

cash reserves to accelerate work at Sepeda by deploying four drill rigs to expedite and deliver the information required for full feasibility studies at Sepeda". "The Dakota team continues to deliver on its milestones with the maiden Mineral Resource statement completed ahead of schedule while defining the largest JORC lithium pegmatite resource in Europe" Frances said.

Figure 1: Sepeda project, showing two of the four operational rigs, and the Romano open pit

Figure 2: Drilling at Sepeda project, with wind turbines in the background.

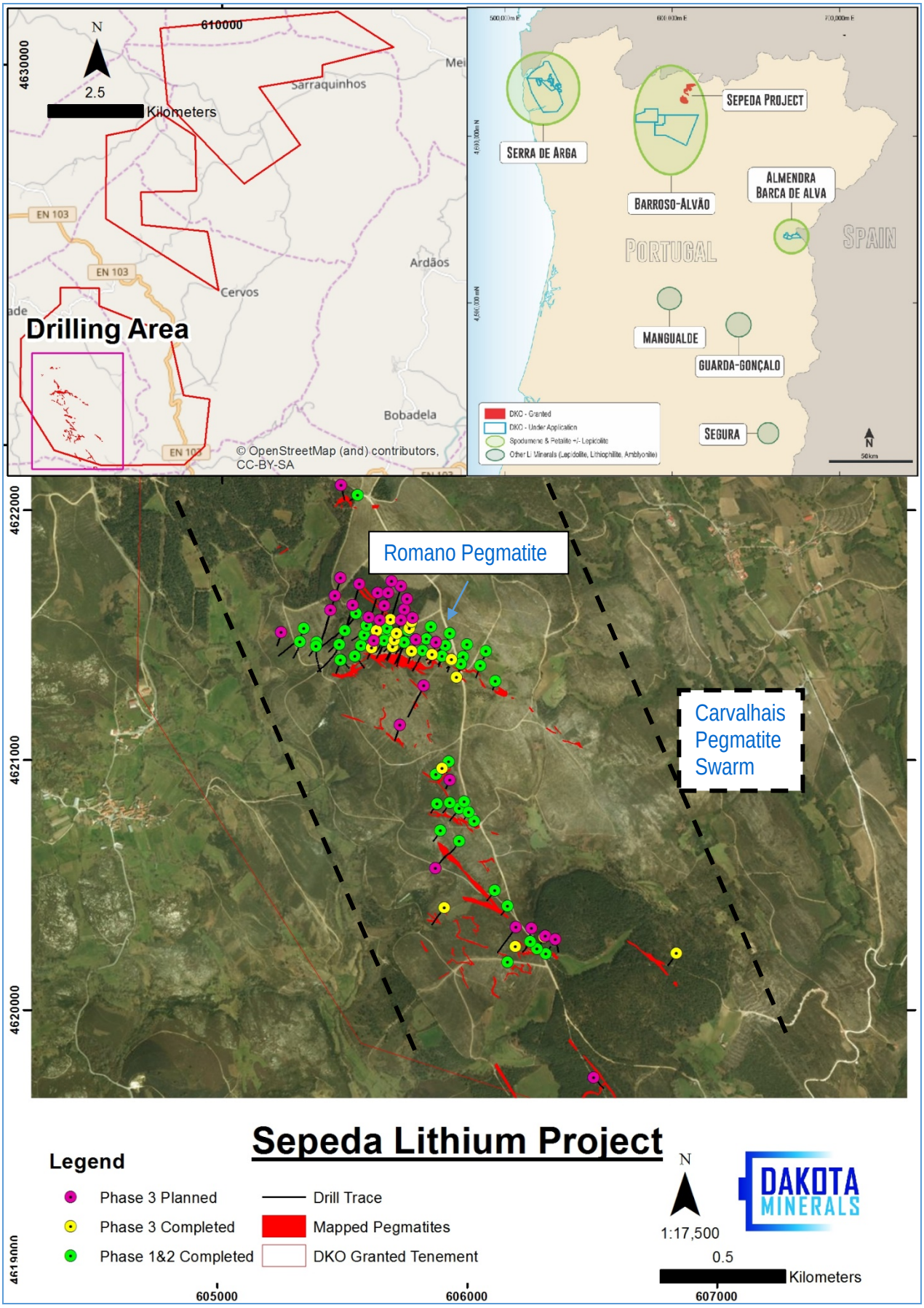

Figure 3: Completed and planned drilling at Sepeda

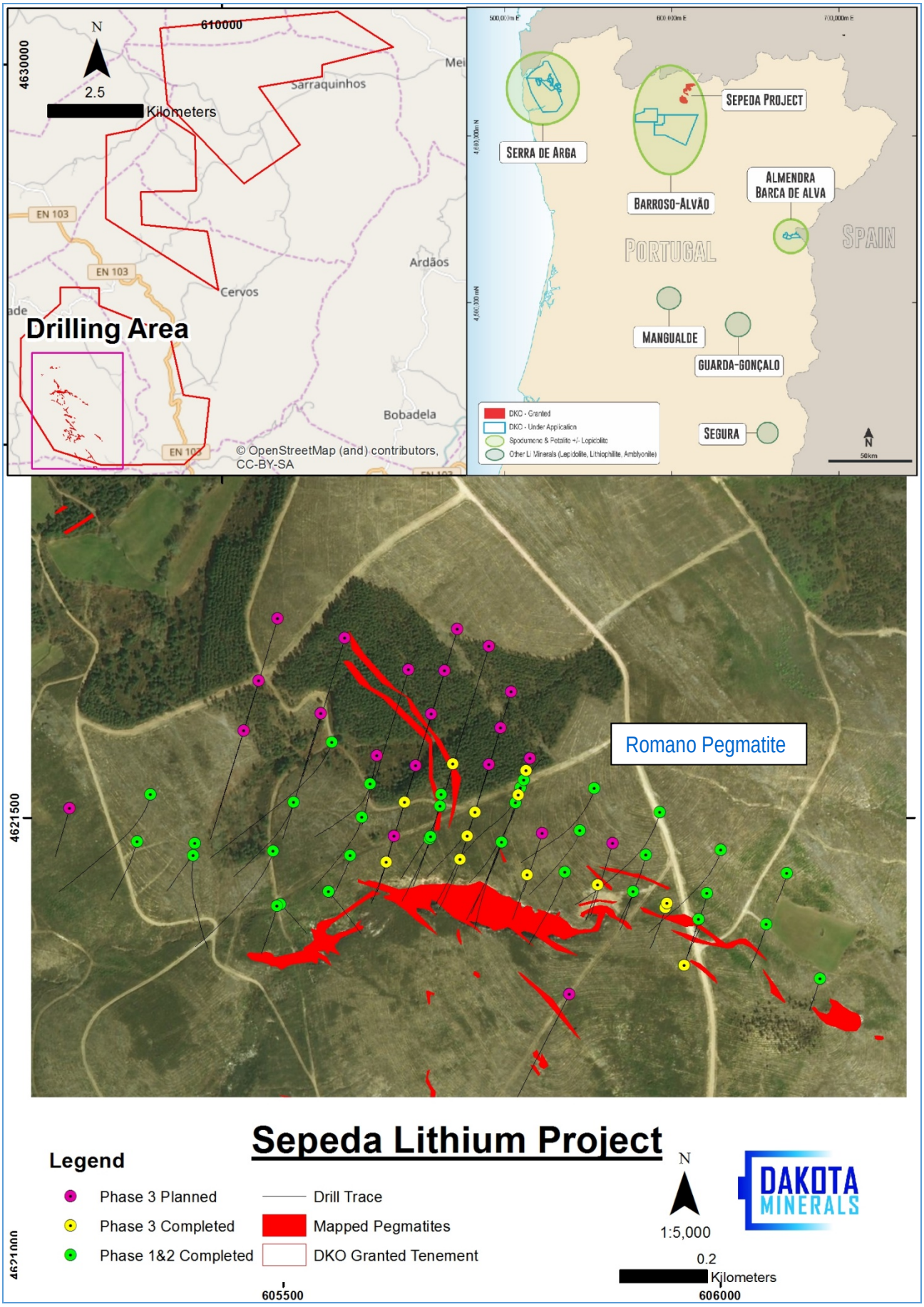

Figure 4: Close-up of Romano pegmatite, Sepeda, showing completed and planned drilling

About Dakota Minerals

Dakota Minerals' aim is to become a sustainable supplier of lithium carbonate/hydroxide, and petalite concentrate, to the European electric vehicle and stationary storage battery markets and the glass and ceramics industry, via its projects in northern Portugal. *The Company has already made progress towards this objective through the discovery of the largest JORC lithium pegmatite resource in Europe at its Sepeda project.*

Portugal: Lusidakota

Dakota's Lusidakota lithium projects in Northern Portugal, to which Dakota has 100% rights through its binding agreement with Lusorecursos LDA, are located over three broad districts of pegmatitic dyke swarms, which contain spodumene- and petalite-bearing pegmatites. The three main districts are the Serra de Arga, Barroso-Alvão and Barca de Alva pegmatite fields, all three of which are highly prospective for lithium mineralisation. The Lusidakota tenement package consists of thirteen exploration licences (one granted and twelve under application). After encouraging initial results, work at the Sepeda lithium project near the Barroso-Alvão district has accelerated, with a maiden JORC Mineral Resource announced in Feb 2017, and a scoping study, EIA and metallurgical testwork programme to produce lithium carbonate under way. Portugal, as the leading lithium producer in Europe[1], was identified by the Company to be a high priority jurisdiction for lithium exploration, for the following reasons:

- Portugal contains numerous swarms of known LCT pegmatites in multiple districts.
- Many countries in Europe are leading the world in uptake of electric vehicles (EVs) using lithium-ion batteries, with EVs already totalling 22% of all new vehicle sales in Norway.
- Lithium-ion batteries are already being produced in Europe to meet this increasing demand, and production capacity in car-producing countries such as Germany is growing dramatically to keep up.
- Nine lithium-ion "megafactories" across Europe are either already producing, under construction or planned for development, including Nissan[2], Samsung[3], BMZ[4], Daimler-Mercedes[5], Tesla[6], Audi[7] and LG Chem[8].
- Battery producers will require a large lithium supply from safe, nearby jurisdictions. Sourcing lithium from Europe would also significantly reduce the carbon footprint of the car production supply chain.
- Portugal has public policies deemed to be highly supportive of mining: it ranked in the global Top 10 of all countries in the Fraser Institute 2015 Survey of Mining Companies for Policy Perception Index, an assessment of the attractiveness of mining policies[9].

[1] USGS Mineral Commodity Summaries, 2016
[2] http://europe.autonews.com/article/20160121/ANE/160129975/nissan-will-produce-leafs-new-advanced-batteries-in-uk
[3] http://www.samsungsdi.com/sdi-news/1482.html, https://cleantechnica.com/2015/05/25/samsung-sdi-begun-operations-former-magna-steyr-battery-pack-plant/
[4] http://www.electronics-eetimes.com/news/european-battery-gigafactory-opens-1/page/0/1
[5] http://media.daimler.com/deeplink?cci=2734603
[6] https://electrek.co/2016/11/08/tesla-location-gigafactory-2-europe-2017-both-batteries-and-cars/
[7] http://europe.autonews.com/article/20160120/ANE/160129994/-audi-will-build-electric-suv-in-belgium-shift-a1-output-to-spain
[8] http://www.lgchem.com/global/lg-chem-company/information-center/press-release/news-detail-783
[9] Fraser Institute Survey of Mining Companies 2015

For these reasons, the Company has been pursuing projects in areas most prospective for the lithium-bearing minerals, petalite and spodumene, in Portugal.

Lithium Processing in Europe

Dakota is of the view that as the Company's Portuguese deposits of petalite are closer to potential downstream processing locations than the spodumene deposits in Australia and Canada, which tend to be in remote locations, they offer the following economic advantages:

- The established storage and transportation infrastructure associated with the distribution of minerals in Europe will reduce the investment required by Dakota for these capabilities. The net result is that deliveries of concentrates will probably be made on a daily basis.
- The proximity of potential downstream processing facilities will reduce the storage facility requirements at the mine/concentrator site.
- The proximity of the Dakota lithium projects to established communities familiar with the mining and processing of petalite will eliminate the need for fly-in fly-out arrangements.
- The combination of the above factors is likely to reduce the minimum size of an economic independent supply lithium battery supply chain in Europe; reducing the capital requirements of the supply chain.

-END-

Contacts:

Dakota Minerals Limited

Tel: +61 (8) 9336 6619

David J Frances

Managing Director – CEO