



ACN: 009 146 794

ASX ANNOUNCEMENT

ASX: DKO

22nd April 2016

# QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

For the period ending 31 March 2016

## CORPORATE DIRECTORY

Non-Executive Chair

John Fitzgerald

Chief Executive

David J Frances

Executive Technical Director

Dr. Francis Wedin

Non-Executive Director

Wade Guo

## FAST FACTS

Issued Capital: 246.6m

Options Issued: 43.3m

Share Price: \$0.185

Cash: \$2.9m

## CONTACT DETAILS

25-27 Jewell Parade

North Fremantle 6159

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Dakota Minerals (ASX: DKO) ("the Company") is pleased to provide the following summary of activities conducted in the March 2016 quarter.

## Lynas Find Project

During the quarter the Company commenced its exploration programme at the Lynas Find project. Figure 1 below shows the location of the Lynas Find Project tenements in relation to recent lithium discoveries in the Pilbara region of Western Australia.

Work completed during the quarter included rock-chip sampling, geological mapping, and airborne geophysics. The ground-based exploration returned highly encouraging results with several pegmatites identified producing rock-chip results of  $>1\%Li_2O$ , and the main Lynas Find pegmatite exhibiting exceptional grades of up to  $5.12\%Li_2O$  from comprehensive surface sampling – Figure 2.

Ultra-detailed airborne geophysics (magnetics and radiometrics) was completed with multiple pegmatite targets being identified throughout the Company's tenement package. These targets point to potential significant future upside at Lynas Find, and will be the subject of further exploration efforts by the Company.

The maiden drill programme for the Lynas Find project commenced in early April 2016.

## Corporate

### Capital raising

On the 19 February 2016 the Company completed the second tranche Placement raising \$3,075,510 (before costs) by issues of 102,517,000 Shares at \$0.03 per share. Total funds raised, including the first tranche placement completed on 24 December, to fund acquisition costs and exploration on the Lynas Find Project was \$3.6 million.

### General meeting of members

At the Company's General Meeting held on 12 February 2016, all resolutions as set out in the Notice of Meeting were passed by a show of hands without amendment.

[www.dakotaminerals.com.au](http://www.dakotaminerals.com.au)

## Capital Structure

### Securities on Issue

Following the acquisition of the Lynas Find lithium assets, and issue of capital raising securities as approved at General Meeting above, and as at the date of this report the Company's Capital structure is as follows:

#### Quoted Securities:

| Number      | Class               | ASX Code |
|-------------|---------------------|----------|
| 246,633,906 | Ordinary Fully Paid | DKO      |

#### Un-quoted Securities:

| Number     | Class                                                    | ASX Code |
|------------|----------------------------------------------------------|----------|
| 4,300,000  | Options exercisable at \$0.016 expiring 31 December 2018 | DKOAA    |
| 9,500,000  | Options exercisable at \$0.035 expiring 31 December 2017 | DKOAB    |
| 19,500,000 | Options exercisable at \$0.060 expiring 31 December 2017 | DKOAB    |
| 10,000,000 | Options exercisable at \$0.090 expiring 31 December 2017 | DKOAB    |

#### Performance Rights

| Number     | Class                                                      | ASX Code |
|------------|------------------------------------------------------------|----------|
| 11,000,000 | Performance Rights (Tranche 1) expiring 23 December 2018*  | N/a      |
| 11,000,000 | Performance Rights (Tranche 2) expiring 23 December 2018** | N/a      |

\*Tranche 1 Performance rights will vest on the establishment by the company of a 5 million tonne JORC Compliant inferred Mineral Resource of Li<sub>2</sub>O of a grade of at least 1.2%, and in the event the milestone is not met within 3 years of 23 December 2015 any unvested performance rights will be cancelled.

\*\* Tranche 2 Performance rights will vest on the establishment by the company of a 15 million tonne JORC Compliant inferred Mineral Resource of Li<sub>2</sub>O of a grade of at least 1.2% and in the event the milestone is not met within 3 years of 23 December 2015 any unvested performance rights will be cancelled.

### ASX waiver details

Pursuant to the waiver from ASX Listing rules 7.3.2 and 10.13.3 (granted by ASX and announced on 20 January 2015) (Waivers), the Company advises that:

- A. the following securities, which were the subject of the Waivers, were issued during the Quarter under review:
  - i. 50,000,000 fully paid ordinary shares to the shareholders of Asgard Metals Pty Ltd (ASM) and Slipstream Resources Investments Pty Ltd as trustee for Slipstream Capital (SRI) on a 45:55 basis ("Completion Shares");
  - ii. 102,517,000 fully paid ordinary shares at \$0.03 per share to raise \$3,075,510 ("Second Tranche Placement Shares");
  - iii. 40,000,000 unquoted options to Argonaut Securities Pty Ltd ("Argonaut") ("Lead Manager Options"); and
  - iv. 2,500,000 Second Tranche Placement Shares to Mr John Fitzgerald ("Director Shares")
- B. the following securities, which were the subject of the Waivers, remain to be issued:
  - i. 30,000,000 fully paid ordinary shares to the shareholders of ASM and SRI (on a 49:51 basis)

- upon an Inferred Mineral Resource of 5 million tonnes at 1.2% Li<sub>2</sub>O being identified on the Pilgangoora Project and announced on the ASX platform by the Company in accordance with the requirements of the JORC Code; and ;
- ii. 30,000,000 fully paid ordinary shares to the shareholders of ASM and SRI (on a 49:51 basis) upon an Inferred Mineral Resource of 15 million tonnes at 1.2% Li<sub>2</sub>O being identified on the Pilgangoora Project and announced on the ASX platform by the Company in accordance with the requirements of the JORC Code;
- (B. I & ii together the “Milestone Shares”)

## Expenditure

Please refer to the Appendix 5B quarterly commitments report for the period ended 31 March 2016 as attached.

## Tenement Information as at 31 March 2016

| Tenement | Location | Holding % | Change in Holding during Quarter % | Status                                                                         |
|----------|----------|-----------|------------------------------------|--------------------------------------------------------------------------------|
| E45/3648 | WA       | 100%      | 100%                               | Granted -pending transfer from Asgard Minerals Pty Ltd                         |
| P45/2783 | WA       | 100%      | 100%                               | Granted -pending transfer from Asgard Minerals Pty Ltd                         |
| E45/4523 | WA       | 100%      | 100%                               | Granted- pending transfer from Wildviper Pty Ltd                               |
| E45/4624 | WA       | 100%      | 100%                               | Application-pending grant, held in 100% owned subsidiary Slipstream LP Pty Ltd |
| E45/4633 | WA       | 100%      | 100%                               | Application-pending grant, held in 100% owned subsidiary Slipstream LP Pty Ltd |
| E45/4640 | WA       | 100%      | 100%                               | Application-pending grant, held in 100% owned subsidiary Slipstream LP Pty Ltd |
| E45/4689 | WA       | 100%      | 100%                               | Application – pending grant                                                    |
| E77/2347 | WA       | 100%      | 100%                               | Application – pending grant                                                    |
|          |          |           |                                    |                                                                                |
| EL 4933  | Victoria | 100%      | N/A                                | Granted- KSN withdrew from Earn in during quarter                              |
| EL 4981  | Victoria | 100%      | N/A                                | Granted - KSN withdrew from Earn in during quarter                             |
|          |          |           |                                    |                                                                                |
| EL 7548  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 7549  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 6627  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 7550  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 6628  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 7756  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 6629  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 7553  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 8269  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |
| EL 6789  | NSW      | 30%       | N/A                                | Farm out to Perpetual Resources Ltd (ASX:PEC), DKO Free carried                |

Tenement Schedule (ASX LR 5.3.3)

Dated this 22nd day of April 2016

**David Frances**  
**Managing Director**

**Dakota Minerals Limited**

The technical information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Francis Wedin, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Wedin is a full-time employee of Dakota and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Wedin consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

The geophysical information in this report is based on information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

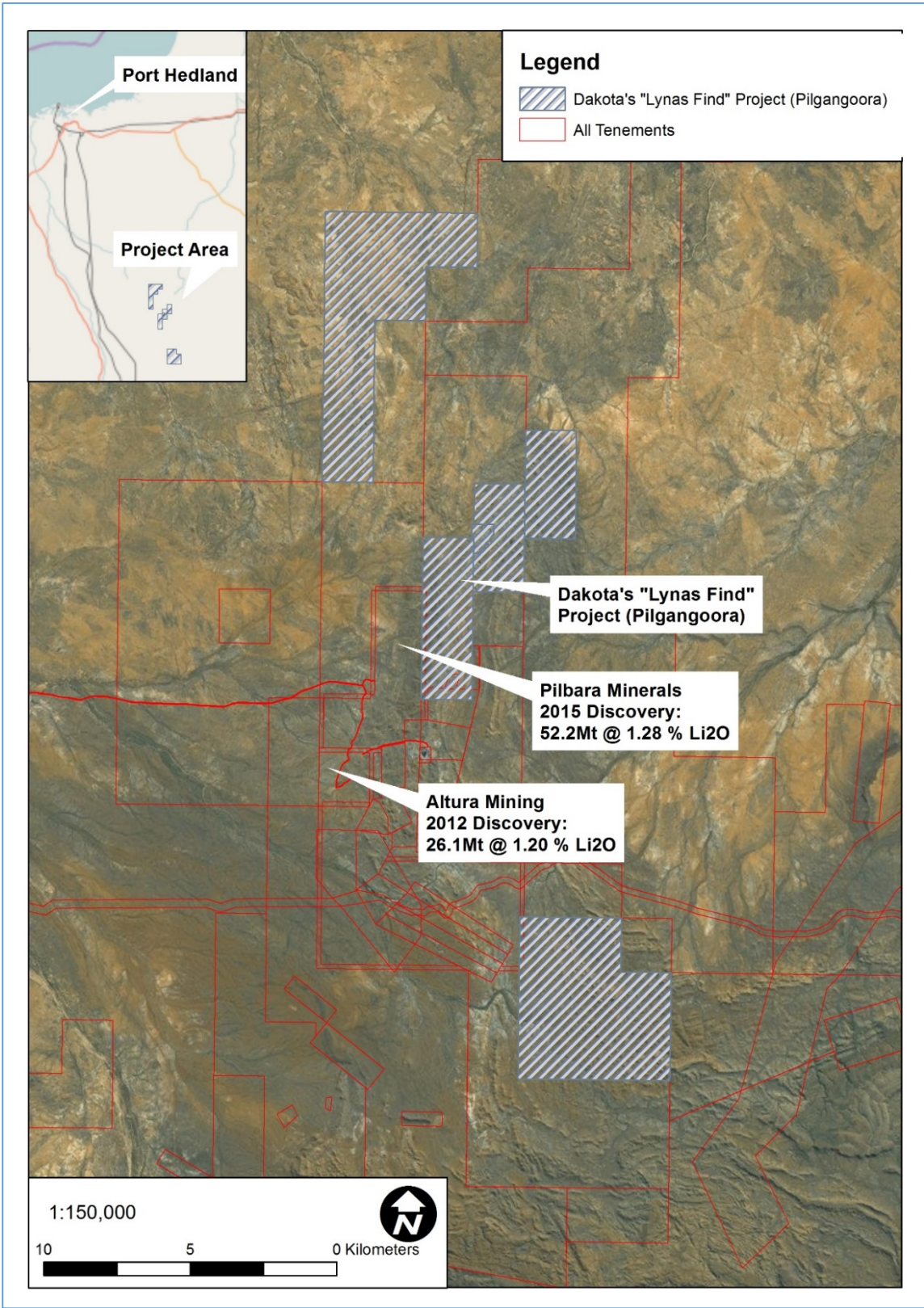


Figure 1: Dakota's "Lynas Find" Project location map

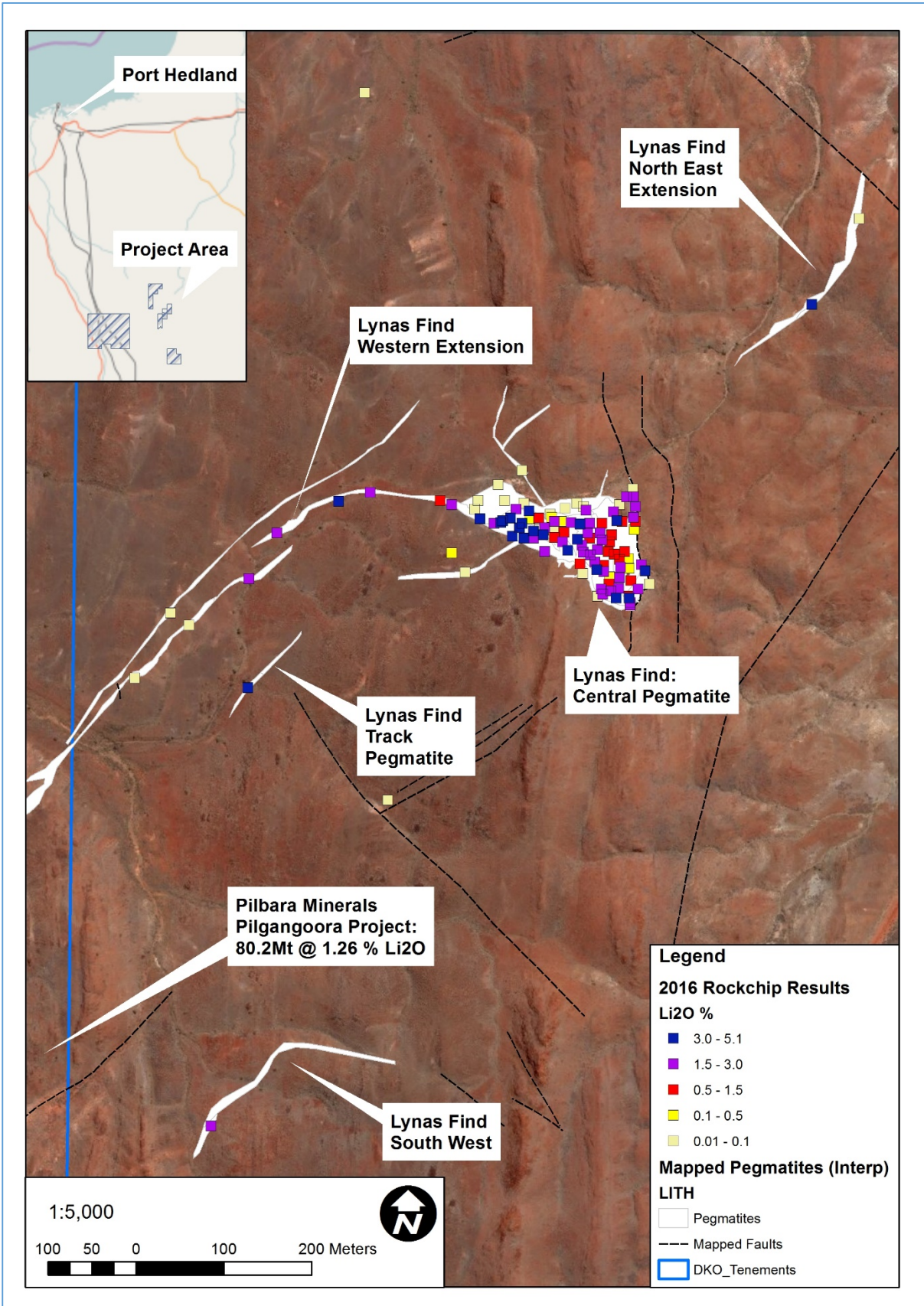


Figure 2: Rock-chip results from comprehensive surface sampling at Lynas Find pegmatite, and reconnaissance sampling at surrounding pegmatites

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

DAKOTA MINERALS LIMITED

ABN

16 009 146 794

Quarter ended ("current quarter")

31 March 2016

#### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date (9<br>months)<br>\$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             |                            |                                       |
| 1.2 Payments for (a) exploration & evaluation                   | (244)                      | (259)                                 |
| (b) development                                                 | -                          | -                                     |
| (c) production                                                  | -                          | -                                     |
| (d) administration                                              | (239)                      | (336)                                 |
| 1.3 Dividends received                                          | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 3                          | 8                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid                                           | -                          | -                                     |
| 1.7 Other (environment obligation)                              | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(480)</b>               | <b>(587)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of: (a) prospects                     | (340)                      | (340)                                 |
| (b) equity investments                                          | -                          | -                                     |
| (c) other fixed assets                                          | -                          | -                                     |
| 1.9 Proceeds from sale of: (a) prospects                        | -                          | -                                     |
| (b) equity investments                                          | -                          | -                                     |
| (c) other fixed assets                                          | -                          | -                                     |
| 1.10 Loans to other entities                                    | -                          | -                                     |
| 1.11 Loans repaid by other entities                             | -                          | -                                     |
| 1.12 Other (provide details if material)                        | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>(340)</b>               | <b>(340)</b>                          |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(820)</b>               | <b>(927)</b>                          |

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

|      |                                                            |              |              |
|------|------------------------------------------------------------|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (820)        | (927)        |
|      | <b>Cash flows related to financing activities</b>          |              |              |
| 1.14 | Proceeds from issues of shares, options, etc.              | 3,104        | 3,628        |
| 1.15 | Proceeds from sale of forfeited shares                     | -            | -            |
| 1.16 | Proceeds from borrowings                                   | -            | -            |
| 1.17 | Repayment of borrowings                                    | -            | -            |
| 1.18 | Dividends paid                                             | -            | -            |
| 1.19 | Other – expenses related to issue of shares                | (216)        | (250)        |
|      | <b>Net financing cash flows</b>                            | <b>2,888</b> | <b>3,378</b> |
|      | <b>Net increase (decrease) in cash held</b>                | <b>2,068</b> | <b>2,451</b> |
| 1.20 | Cash at beginning of quarter/year to date                  | 840          | 457          |
| 1.21 | Exchange rate adjustments to item 1.20                     | -            | -            |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>2,908</b> | <b>2,908</b> |

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

|      | Current quarter<br>\$A'000                                       |    |
|------|------------------------------------------------------------------|----|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 60 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -  |

1.25 Explanation necessary for an understanding of the transactions

|  |
|--|
|  |
|--|

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

|     |
|-----|
| Nil |
|-----|

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

|     |
|-----|
| Nil |
|-----|

+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

### Estimated cash outflows for next quarter

|                                | \$A'000        |
|--------------------------------|----------------|
| 4.1 Exploration and evaluation | \$1,500        |
| 4.2 Development                | -              |
| 4.3 Production                 | -              |
| 4.4 Administration             | 200            |
| <b>Total</b>                   | <b>\$1,700</b> |

### Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                                                                                                                                | 151                        | 187                         |
| 5.2 Deposits at call                                                                                                                                        | 2,757                      | 653                         |
| 5.3 Bank overdraft                                                                                                                                          | -                          | -                           |
| 5.4 Other (provide details)                                                                                                                                 | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>                                                                                                            | <b>2,908</b>               | <b>840</b>                  |

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

|     | Tenement reference and location                                                       | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---------------------------------------------------------------------------------------|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | *                             |                                  |                            |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased           | *                             |                                  |                            |

\*Refer to Quarterly Activities Report for Schedule of Tenements.

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|     | Total number                                                     | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|------------------------------------------------------------------|---------------|-----------------------------------------------|--------------------------------------------------|
| 7.1 | <b>Preference securities</b>                                     |               |                                               |                                                  |
|     | <i>(description)</i>                                             |               |                                               |                                                  |
| 7.2 | Changes during quarter                                           |               |                                               |                                                  |
|     | (a) Increases through issues                                     |               |                                               |                                                  |
|     | (b) Decreases through returns of capital, buy-backs, redemptions |               |                                               |                                                  |
| 7.3 | <b>+Ordinary securities</b>                                      | 241,433,906   | 241,433,906                                   |                                                  |
| 7.4 | Changes during quarter                                           |               |                                               |                                                  |
|     | (a) Increases through issues                                     | 152,517,000   | \$0.03                                        | \$0.03                                           |
|     |                                                                  | 100,000       | \$0.016                                       | \$0.016                                          |
|     |                                                                  | 1,400,000     | \$0.016                                       | \$0.016                                          |
|     | (b) Decreases through returns of capital, buy-backs              | -             | -                                             | -                                                |
| 7.5 | <b>+Convertible debt securities</b>                              | Nil           |                                               |                                                  |
|     | <i>(description)</i>                                             | Nil           |                                               |                                                  |

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

|      |                                                                                                               |                                                     |     |                                                          |                                                                                             |
|------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----|----------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted |                                                     |     |                                                          |                                                                                             |
| 7.7  | <b>Options</b><br>(description and conversion factor)                                                         | 8,500,000<br>10,000,000<br>20,000,000<br>10,000,000 | -   | Exercise price<br>\$0.016<br>\$0.035<br>\$0.06<br>\$0.09 | Expiry date<br>31 December 2018<br>31 December 2017<br>31 December 2017<br>31 December 2017 |
| 7.8  | Issued during quarter                                                                                         | 10,000,000<br>20,000,000<br>10,000,000              |     | \$0.035<br>\$0.06<br>\$0.09                              | 31 December 2017<br>31 December 2017<br>31 December 2017                                    |
| 7.9  | Exercised during quarter                                                                                      | 1,500,000                                           |     | \$0.016                                                  | 31 December 2018                                                                            |
| 7.10 | Expired during quarter                                                                                        | Nil                                                 | Nil | Exercise price                                           | Expiry date                                                                                 |
| 7.11 | <b>Debentures</b><br>(totals only)                                                                            |                                                     |     |                                                          |                                                                                             |
| 7.12 | <b>Unsecured notes</b> (totals only)                                                                          | Nil                                                 | Nil |                                                          |                                                                                             |

## Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does ~~does not~~\* (delete one) give a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 22 April 2016

Print name: .....  
Mathew Whyte

## Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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