



ACN: 009 146 794

ASX ANNOUNCEMENT

ASX: DKO

30th August 2016

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:	320.4m
Options Issued:	31.2m
Market Cap:	\$19.5m
Cash:	\$13.8m

CONTACT DETAILS

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Drilling Commences at Sepeda Lithium Project, Portugal

– For Immediate Release –

Highlights:

- **Phase one drilling has commenced at the Sepeda Lithium Project**
- **Programme duration expected to be four weeks, for an anticipated 2,500m of drilling**
- **Focus on historical workings with known, petalite/spodumene-hosted lithium mineralisation up to 2.8% Li₂O at surface¹**
- **Results expected late October.**

Dakota Minerals Limited (“Dakota”, “DKO”, or “Company”) is pleased to announce the commencement of its phase one drill programme at the Sepeda Lithium Project in the Barroso-Alvão sector of its northern Portugal (Lusidakota) projects.

The programme represents the first stage of Dakota’s European lithium strategy, with the fast-tracking of the Company’s lithium projects in Portugal expected to progress in tandem with advancement of Dakota’s Lynas Find project in the Pilbara region of Western Australia.

The drill programme in Portugal comprises reconnaissance reverse circulation (RC) drill testing of the main areas of known petalite/spodumene-bearing pegmatites. This includes pegmatites with known anomalism up to 2.8% Li₂O from previous sampling¹. SPI SA, a drilling company based in Leon, Spain, has been commissioned to carry out the programme.

Drilling is expected to total 2,500m, taking approximately four weeks to complete. Sample analysis results are expected in late October 2016.

Dakota Minerals CEO David Frances commented: *“We look forward to seeing the results of our first drill programme, at Sepeda, a lithium project in the backyard of one of the fastest developing lithium markets in the world.”*

¹ DKO ASX announcement, 19/07/2016



Figure 1: SPI drill rig at the Sepeda project, Barroso-Alvão district, northern Portugal. Romano pit is in the centre of the picture.

About the Sepeda Lithium Project

Sepeda is situated on granted tenement MNPP04612, within the Barroso-Alvão district, one of three areas that form Dakota's Lusidakota projects in Northern Portugal. Structural and lithological mapping, rock-chip and auger sampling were conducted in the Sepeda region of the Barroso-Alvão project area in June 2016. This work delineated a swarm of multiple WNW-striking, lithium-bearing pegmatites of the LCT (Lithium-Caesium-Tantalum) type. The main swarm area is roughly 1,500m long by 500m wide. Some of the pegmatites do not outcrop and are visible only in historic underground workings. It is thought that the pegmatites form a folded, stacked system of mineralised pegmatite dykes. Lithium mineralisation grading up to 2.8% Li₂O was noted in petalite and spodumene² samples. Both petalite and spodumene are well-established in the global lithium markets for ceramics, and can be processed to produce a lithium carbonate or hydroxide product via conventional methods.

² DKO ASX announcement, 19/07/2016

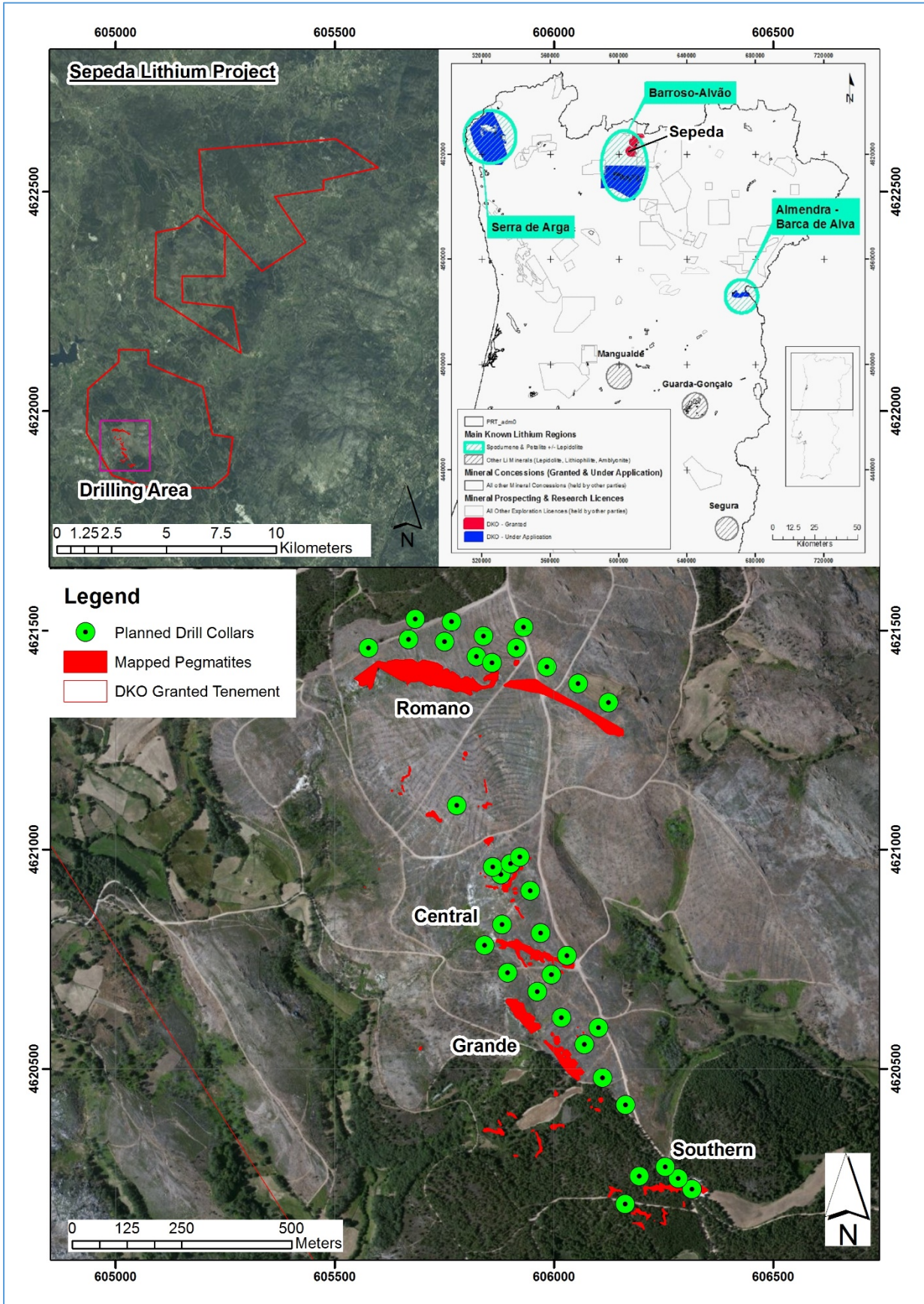


Figure 2: Planned drill collars at the Sepeda Lithium Project, Barroso-Alvão district, northern Portugal

About Dakota Minerals

Portugal: Lusidakota

Portugal, as the leading lithium producer in Europe³, was identified by the Company to be a high priority jurisdiction for lithium. 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 with Daimler recently announcing a new 500 million Euro battery factory⁴, and Volkswagen to follow suit with an 8 billion Euro “giga-factory”⁵. Battery producers will need more lithium supply from safe, nearby jurisdictions. Sourcing lithium from Europe would also 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 policies⁶. For these reasons, the Company has been pursuing projects in areas most prospective for lithium-bearing minerals Petalite and Spodumene in Portugal.

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 eight exploration licences (one granted and seven under application). After encountering encouraging surface sampling results of up to 2.8% Li₂O, exploration at the Sepeda Lithium Project within the Barroso-Alvão district has accelerated, with first pass drilling already under way.

Western Australia: Lynas Find

The Company is in the process of completing resource modelling and estimation to develop a maiden Mineral Resource for Lynas Find in the first half of FY17, while simultaneously undertaking metallurgical test-work on core samples to determine optimal processing routes for the spodumene ore. Dakota is building a resource at its Lynas Find project in the Pilbara region of Western Australia, about 100km south of the regional centre of Port Headland. The Company holds 100% rights to Lynas Find, which is located on and in the vicinity of the extensive Pilgangoora lithium-tantalum bearing pegmatitic dyke swarm. Dakota has completed two phases of exploration reverse circulation drilling at Lynas Find for a total of 5,276 metres drilled, which has been successful in defining high grade mineralisation from surface that remains open at depth. Significant intersections from RC drilling to date have included 35m @ 2.14% Li₂O and 35m @ 1.75% Li₂O⁷.

³ USGS Mineral Commodity Summaries, 2016

⁴ <http://media.daimler.com/deeplink?cci=2734603>

⁵ <http://www.telegraph.co.uk/business/2016/05/27/vw-to-invest-8bn-in-battery-factory-as-it-tries-to-reinvent-itse/>

⁶ Fraser Institute Survey of Mining Companies 2015

⁷ DKO announcement 15/07/2016

Competent Person Statement

The 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. All material assumptions and technical parameters underpinning the JORC 2012 reporting tables in the relevant market announcements referenced in this text continue to apply and have not materially changed.

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