



ACN: 009 146 794

ASX ANNOUNCEMENT

ASX: DKO

1st June 2016

Strategic Lithium Acquisition in Portugal

– For Immediate Release –

CORPORATE DIRECTORY

Non-Executive Chair

John Fitzgerald

Managing Director - CEO

David J Frances

Executive Technical Director

Dr. Francis Wedin

FAST FACTS

Issued Capital: 317.3m

Options Issued: 34.3m

Share Price: \$0.16

Cash: \$15.2m

CONTACT DETAILS

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Highlights:

- **100% rights acquired to large tenement package in Portugal containing known spodumene and petalite-bearing pegmatite swarms.**
- **Acquisition part of Dakota's previously outlined plan to acquire and develop globally strategic, high quality lithium projects.** Acquisition complements Dakota's high-priority Lynas Find project in the Pilgangoora area, and meets one of the Company's strategies for market diversification.
- **Dominant land position in all three regions in Portugal prospective for spodumene or petalite-hosted lithium pegmatites.**
- **Multiple historic records of surface lithium values in the tenement package over 1% Li₂O, and up to 6.71%Li₂O.**
- **Strategic position in Europe, where companies such as Daimler and Volkswagen are greatly increasing their capacity for lithium-ion battery production.**
- **Portugal is the top lithium producer in Europe and a global Top 10 country for public policy related to mining investment¹.**
- **Accelerated exploration plan to identify and develop new lithium resources as soon as possible.**
- **Field work about to commence, including sampling old workings, and auger drilling on historic tailings dams.**

Dakota Minerals Limited ("Dakota", "DKO", or "Company") is pleased to announce that it has signed a binding agreement to acquire 100% rights to a very significant tenement package over the three most prospective areas for spodumene and petalite-hosted lithium in Portugal. Work is commencing within the highest priority areas, including mapping, surface sampling and auger drilling. David Frances, Dakota's

¹ Fraser Institute Survey of Mining Companies 2015

Managing Director, commented: “We see Europe as an instrumental part of the growing electric vehicle (EV) market, with likely the highest EV penetration rate in the near-term, making DKO’s new Portugal project strategically located relative to this market. This, coupled with our existing high-priority Lynas Find project in Western Australia, gives the Company key market diversification with exposure to both the Asian and European battery markets and forms part of the Company’s aim of becoming a diversified long-term lithium producer”.

Why Europe, Why Portugal?

Dakota had previously announced its attention to grow its quality lithium portfolio via strategic acquisitions in prospective jurisdictions². Portugal, as **the leading lithium producer in Europe**³, was identified by the management team to be a high priority destination. 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 factory**⁴, and Volkswagen likely to soon follow suit⁵. Battery producers will need more 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 management of Dakota have been pursuing projects in areas most prospective for lithium in Portugal.

Where in Portugal?

There are six main lithium-bearing pegmatite districts in Portugal; of these, three are thought to be prospective for spodumene, while the other three are lepidolite-dominant, which is more energy-intensive to process. The three districts containing mostly spodumene and/or petalite are Serra de Arga, Barroso-Alvao, and Almendra - Barca de Alva (Figure 1). Historic records show surface and drilling results highly anomalous in lithium, with multiple values over 1% Li₂O in Barroso-Alvao and Serra de Arga (Figures 2-4). Each area is comparable in size or larger than the Pilgangoora region that hosts Dakota’s Lynas Find lithium project. Dakota has focused on these areas, and now holds a dominant exploration tenement position in all three, by virtue of its agreement with Lusorecursos LDA., a Portuguese exploration junior. The exploration tenements are a mixture of granted leases and new applications. Dakota is commencing mapping, surface sampling and auger drilling work on the highest priority leases, to quickly identify drill targets.

² DKO presentation, 18/02/2016

³ USGS Mineral Commodity Summaries, 2016

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

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

⁶ Fraser Institute Survey of Mining Companies 2015

Acquisition Terms

The acquisition terms for the tenements are as follows:

- 10,000 Euro upfront option cash payment to Lusorecursos LDA.
- 10,000 Euro cash payment and 63,000 Euro six-month consulting contract on successful grant of experimental exploration rights for tenements MNPPP0274, 275 and 276.
- 250,000 Euro milestone payment on definition, within the tenements, of a 5 million tonne NI43-101/JORC lithium resource at 1.2 % Li_2O , and 750,000 Euro milestone payment on definition within the tenements of a 15 million tonne NI43-101/JORC lithium resource at 1.2% Li_2O (or greater).

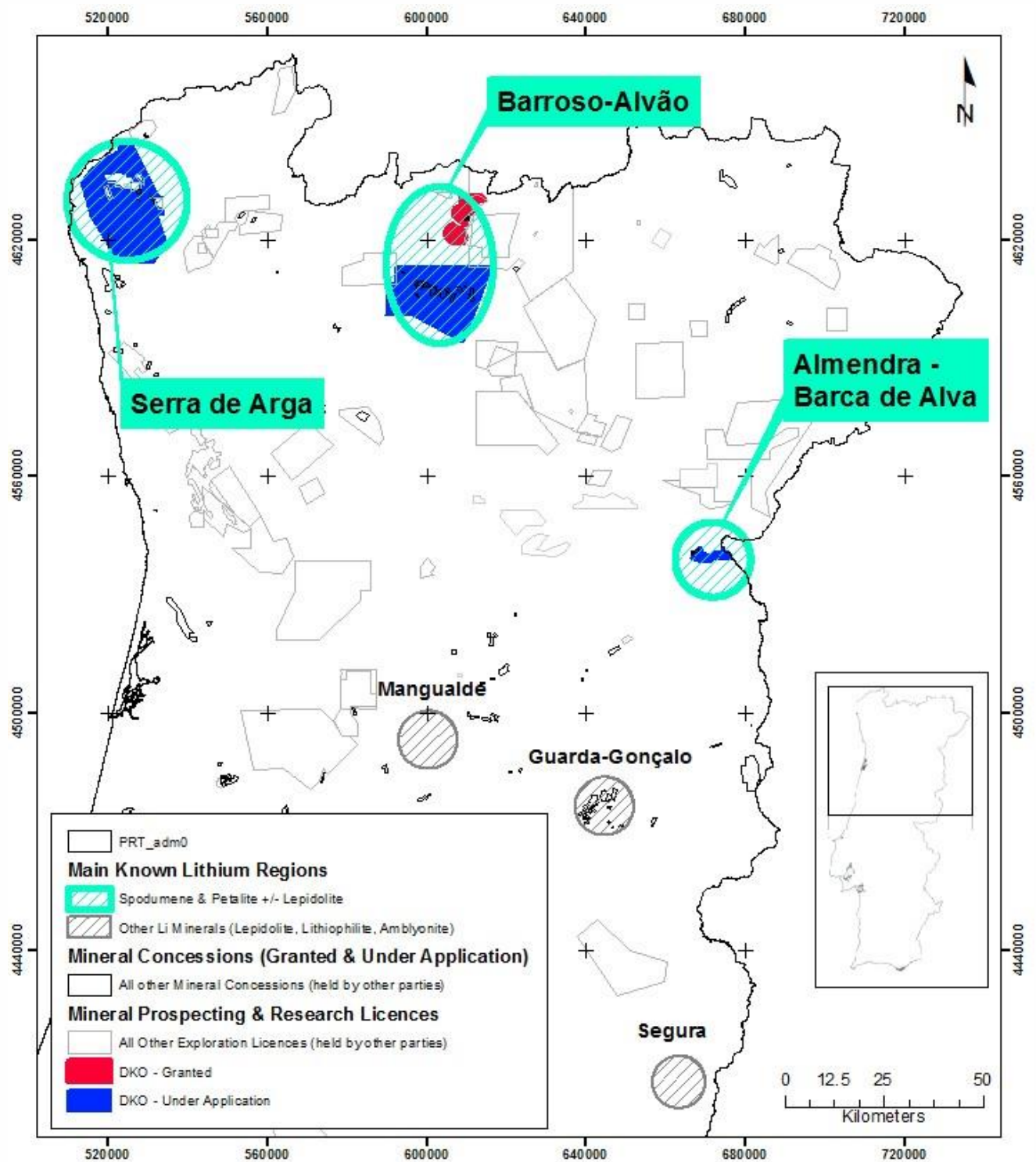
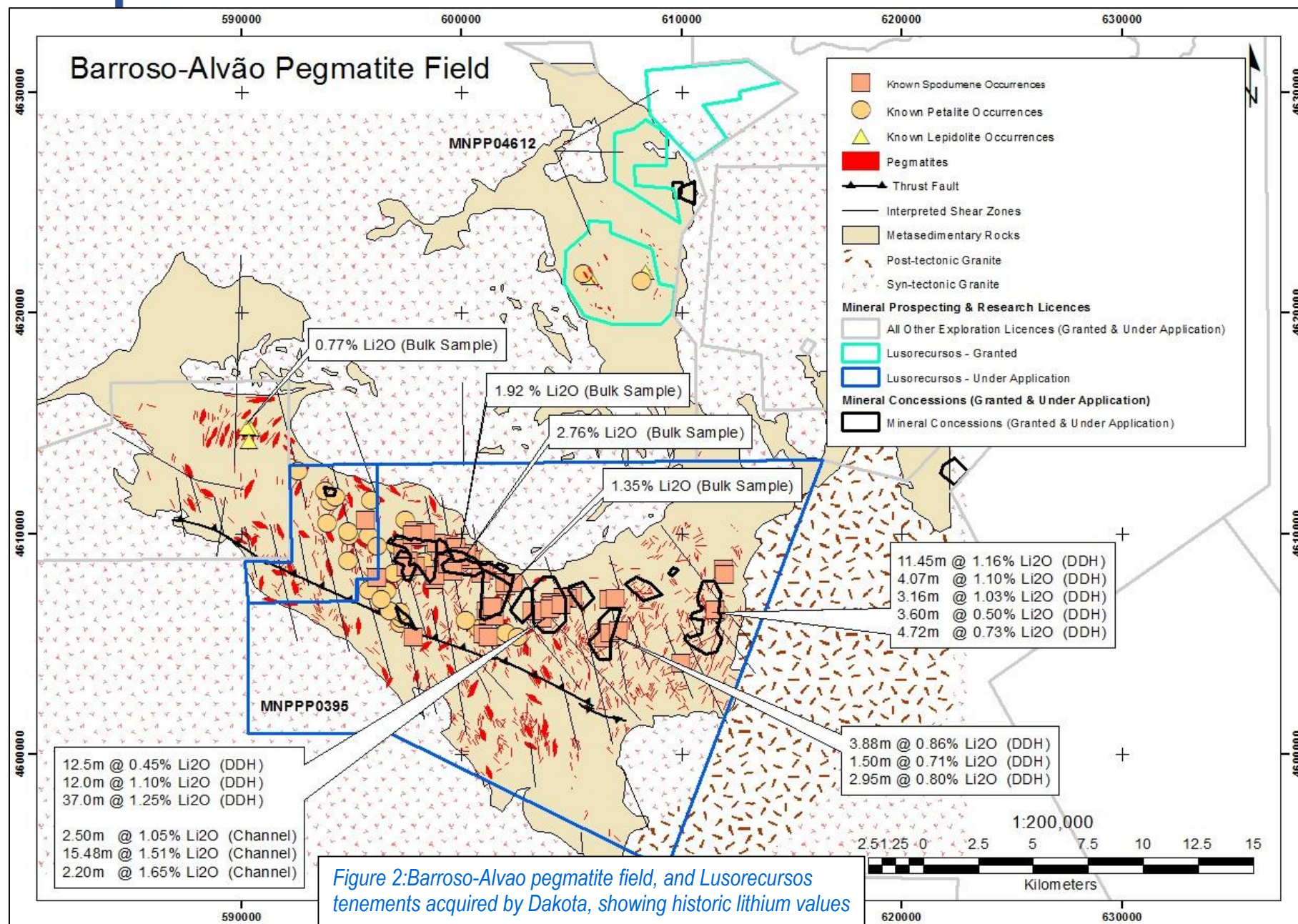
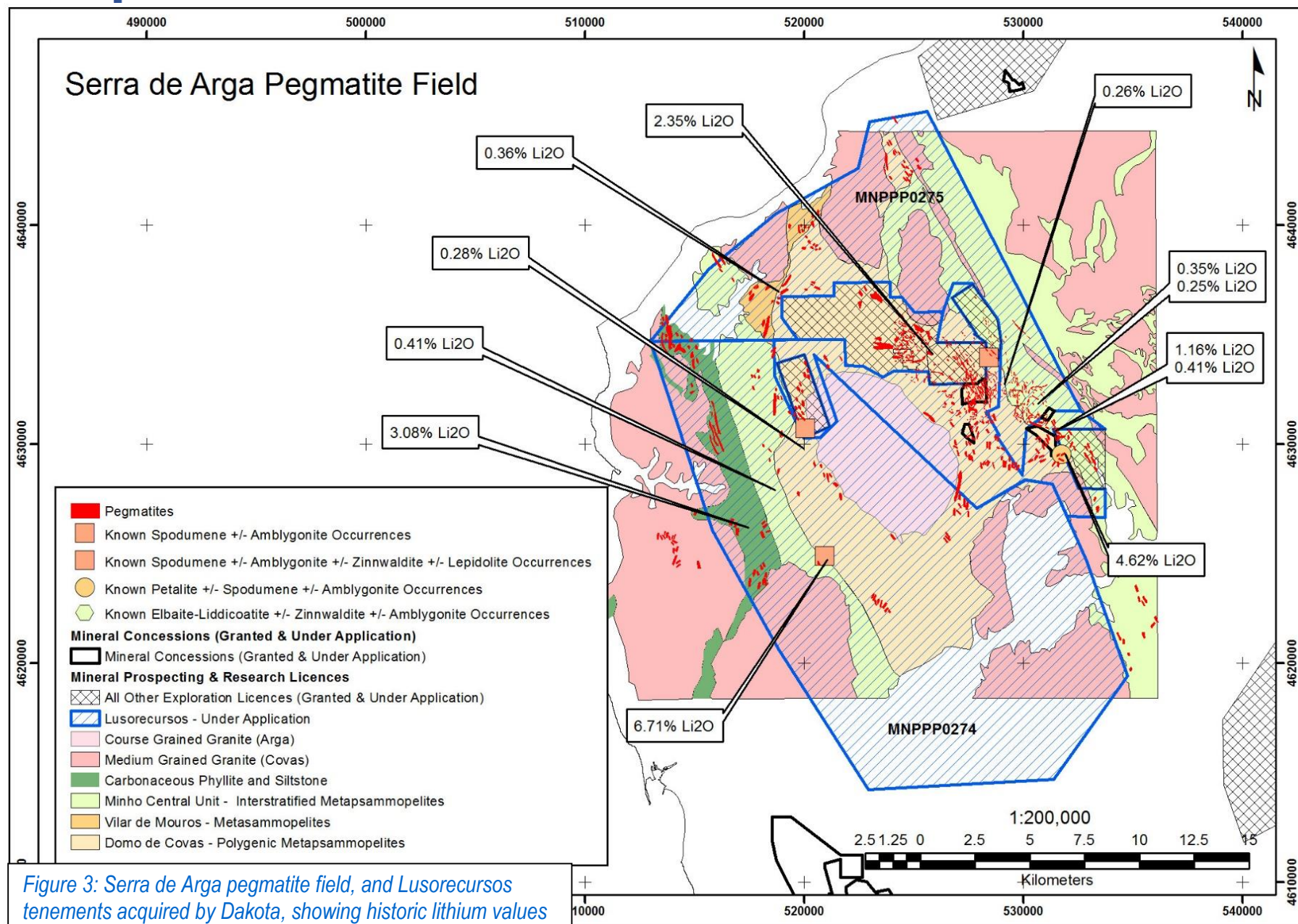
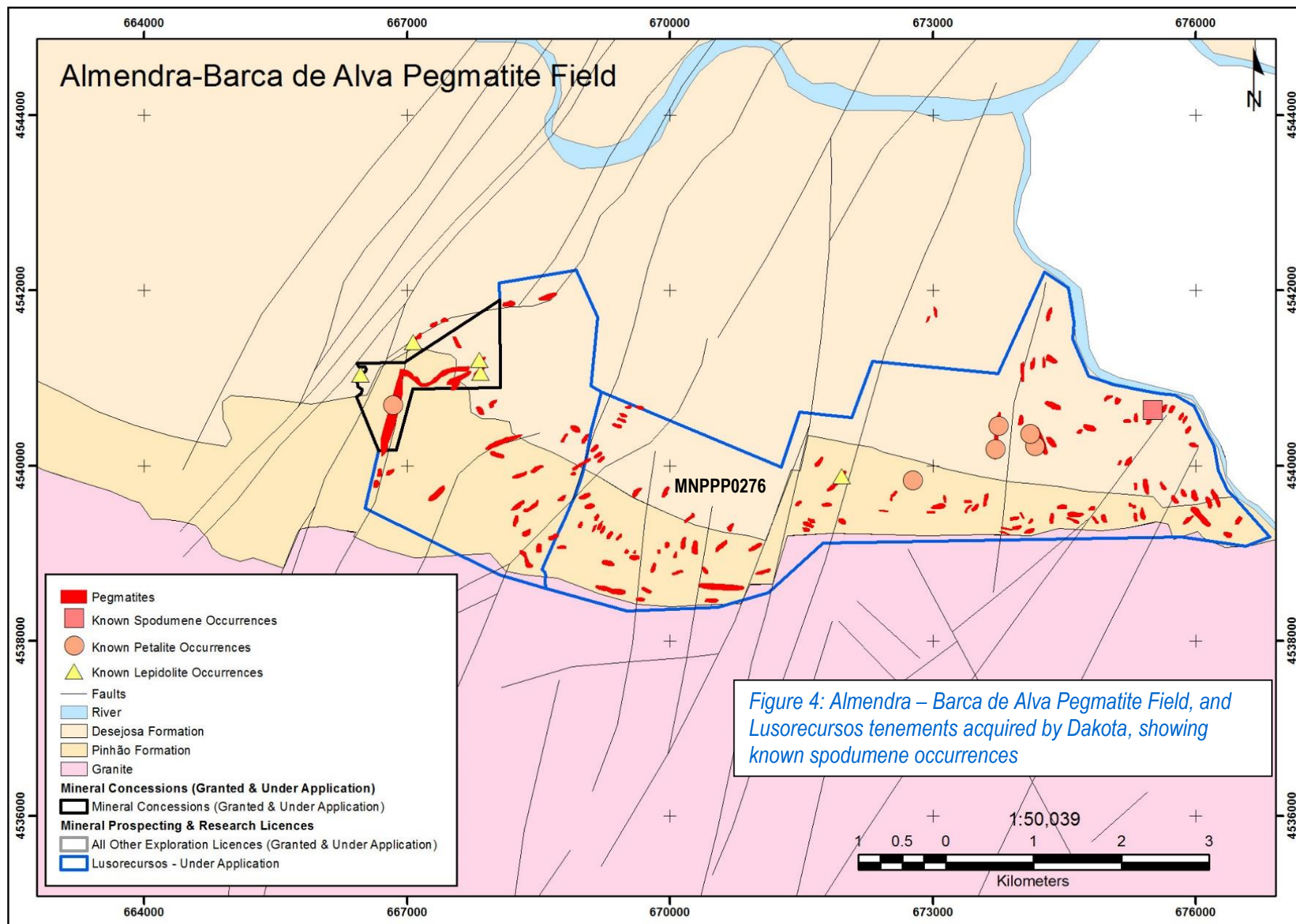


Figure 1: Known lithium regions in Portugal, and Lusorecursos tenements acquired by Dakota







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.

-ENDS-

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Appendix 1: JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<p>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<p>Maps refer to historical rock-chip, bulk samples, diamond drilling and surface channel sampling, available from open source academic literature. These consist of: Martins, T, Lima, A, and Noronha, F, 2007. Locality No.1 – An Overview of the Barroso-Alvao Aplite-Pegmatite Field. Granitic Pegmatites: the state of the art – International Symposium. Field Trip Book; Lima, A and Noronha, F, 1999. Exploration for Lithium Deposits in the Barroso-Alvao Area, Northern Portugal. Mineral Deposits: Processes to Processing. Stanley et al (eds) 1999 Balkema, Rotterdam, ISBN 90 5809 068.; Charoy, B, Lhote, F, and Dusauso, Y, 1992. The Crystal Chemistry of Spodumene in Some Granitic; Lima, A, 2000. Estrutura, mineralogia e génese dos filões aplitopegmatíticos com espodumena da região do Barroso-Alvão. Dissertation – Universidade do Porto; Lopes Nunes, J E, and Leal Gomes, C, 1994. The Crystal Chemistry of Spodumene in Some Granitic Aplite-Pegmatite Bodies of Northern Portugal. The Canadian Mineralogist. Vol. 32, pp 223-226. and Moura, S, Leal Gomes, C, and Lopes Nunes, J, 2010. The LCT-NYF signatures in rare-metal Variscan aplite-pegmatites from NW Portugal. Revista Electronica de Ciencias da Terra Geosciences On-line Journal ISSN 1645-0388, Vol 20, No 8. Dakota does not warrant that the work completed could be referred to as "industry standard", but is indicative of spodumene-hosted, potentially economic lithium mineralisation.</p>
Drilling Techniques	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</p>	<p>Diamond drilling is referred to in Lima et al 1999. Core diameter is not known. Channel sampling is referred to in Moura et al 2010.</p>
Drill Sample Recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p>	

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Criteria	JORC Code Explanation	Commentary
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable – relates to historical work from academic papers.
Logging	<p>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	Not applicable – relates to historical work from academic papers. Dakota does not warrant that the work completed could be referred to as “industry standard”, but is indicative of spodumene-hosted, potentially economic lithium mineralisation.
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub- sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field</p> <p>Quality control procedures adopted for all sub- sampling stages to maximise representivity of samples</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	Not applicable – relates to historical work from academic papers. Dakota does not warrant that the work completed could be referred to as “industry standard”, but is indicative of spodumene-hosted, potentially economic lithium mineralisation.
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the</p>	Assaying and laboratory procedures unknown

Criteria	JORC Code Explanation	Commentary
	<p>analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established</p>	<p>Not applicable.</p> <p>No QA/QC is thought to have been used in the historical drilling or surface sampling.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols</p> <p>Discuss any adjustment to assay data.</p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Li was occasionally converted to Li₂O for the purposes of reporting, as some historical texts reported Li₂O, and some LI. The conversion used was Li₂O = Li x 2.153</p>
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used</p> <p>Quality and adequacy of topographic control.</p>	<p>Not applicable</p> <p>The grid system used is the Portuguese national ETRS89 – PT-TM06 datum</p> <p>Not known</p>
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>	<p>Data spacing from historical work appears to be highly variable.</p> <p>Not applicable.</p> <p>Not applicable.</p>
Orientation of data in relation to	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Sampling generally thought to be completed at right angles to interpreted strike of pegmatite dykes,

Criteria	JORC Code Explanation	Commentary
geological structure	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	from selected points along the strike of the pegmatites. Not applicable.
Sample security	The measures taken to ensure sample security	Not applicable.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	None completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Lusorecursos tenements consist of granted tenement MNPP04612, and tenement applications MNPPP0274, 275 and 276. All tenements are in good standing.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Maps refer to historical rock-chip, bulk samples, diamond drilling and surface channel sampling, available from open source academic literature. These consist of: Martins, et al 2007; Lima, 1999. Charoy, et al 1992. Lima, A, 2000, Lopes Nunes 1994. Moura, et al 2010.
Geology	Deposit type, geological setting and style of mineralisation.	The Barroso- Alvão aplite-pegmatite field, located in the "Galacia-Tras-os-Montes" geotectonic zone, is characterized by the presence of dozens of pegmatite and aplite-pegmatite dykes and sills of granitic composition. The Pegmatitic dykes are typically intruded in the granitic rocks of the region, whilst the aplite-pegmatite dykes are hosted by low- to medium-grade strongly deformed metasedimentary rocks of Silurian age. The Serra de Arga pegmatite field, located in North West Portugal, consists of a swarms of aplite-pegmatite dykes and sills emplaced in metasedimentary and metavolcanosedimentary-exhalative Silurian series (Minho Central and Domo de Covas Units). According to Dias (2014), there are two groups of

Criteria	JORC Code Explanation	Commentary
		pegmatite swarms; (1) granite-related aplite-pegmatite sills and dykes, and (2) highly peraluminous anatectic pegmatites, mostly. The aplite-pegmatite field of Gonçalo, also known as Gonçalo – Seixo Amarelo, is located 15 km southwest of the district capital Guarda (Figure 1). The Seixo Amarelo-Goncalo rare element aplite-pegmatite field outcrops in the Central-Eastern region of Portugal, over an area of more than 100 Km ² that comprises Gouveia-Fornos, de Algodres-Celorico and da Beira-Guarda-Belmonte-Sabugal regions (Ramos, 2007).
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	Not available in historical literature. Dakota does not warrant that the work completed could be referred to as “industry standard”, but is indicative of spodumene-hosted, potentially economic lithium mineralisation.
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’)	Not applicable.

Criteria	JORC Code Explanation	Commentary
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Figures 1-4 in body of report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All compiled results from historical literature have been reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All meaningful and material data has been reported.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or largescale step-out drilling).	Mapping, surface sampling, auger drilling, first pass RC drilling.