



ACN: 009 146 794

ASX ANNOUNCEMENT

ASX: DKO

1 December 2016

## Completion of Lynas Find Sale Transaction

– For Immediate Release –

### CORPORATE DIRECTORY

Non-Executive Chair  
John Fitzgerald

Managing Director - CEO  
David J Frances

Executive Technical Director  
Dr. Francis Wedin

Non-Executive Director  
Dudley J Kingsnorth

### FAST FACTS

Issued Capital:	362.6m
Options Issued:	31.2m
Market Cap:	\$23.2m
Cash:	\$17.7m

### CONTACT DETAILS

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Dakota Minerals Limited (“Dakota”, “DKO”, or “Company”) is pleased to announce that the Lynas Find Sale Agreement has been completed.

As announced on 6 October 2016 the Company entered into a binding agreement (“Sale Agreement”) with Pilbara Minerals Limited ASX:PLS (“Pilbara”) whereby Pilbara agreed to acquire 100% of Dakota’s Lynas Find lithium project (“Project”).

The total consideration for the transaction was up to \$8.0 million of which \$5.0 million has been paid at completion. Pilbara will make further payments of up to \$3.0 million in total upon the grant of exploration licences for each of the remaining applications in the Lynas Find Project on or before 5 October 2017. The further payments will be in the form of cash or Pilbara shares (to be issued at the 30 day VWAP) at Pilbara’s election.

The transaction, and the proceeds raised through it, will now allow Dakota Minerals to accelerate the Company’s European-focused lithium strategy at a time when major industrial groups in the region are increasing their reliance on the commodity.

Under the terms of Dakota’s agreement to acquire the Lynas Find Project from Asgard Metals Pty Ltd (“Asgard”) and Slipstream Resources Group (“Slipstream”) announced by the Company on 18 December 2015, Asgard and Slipstream are entitled to receive shares in the Company upon certain milestones being achieved. The final milestone is the identification and announcement to ASX of a 15Mt Inferred Mineral Resource at 1.2% Li<sub>2</sub>O on the Lynas Find Project tenements (“Final Milestone”), which is yet to be achieved.

The Company advises that, following completion of the sale of the Lynas Find Project, Asgard and Slipstream will retain the right to receive 30,000,000 shares in the Company (“Milestone Shares”) if the final milestone is achieved on or before 12 February 2021. In the event that Pilbara identifies a 15Mt Inferred Mineral Resource at 1.2% Li<sub>2</sub>O on the Lynas Find Project tenements, the Final Milestone would be satisfied and the Company would be required to issue the Milestone Shares to Asgard and Slipstream.

Dakota Minerals CEO David Frances commented: *“The directors see this transaction as a win for Dakota shareholders. The transaction puts the Company in a very strong financial position which will enable it to aggressively advance its strategy of becoming a sustainable lithium carbonate/hydroxide supplier to the rapidly developing European battery industry.”*

## About Dakota Minerals

Dakota Minerals' aim is to become a sustainable supplier of lithium carbonate/hydroxide to the European electric vehicle and stationary storage battery markets, via its projects in northern Portugal.

### 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 eight exploration licences (one granted and seven under application). After encountering highly encouraging initial results, exploration at the Sepeda Lithium Project within the Barroso-Alvão district has accelerated, with phase one drilling complete and phase two resource drilling underway.

Portugal, as the leading lithium producer in Europe<sup>1</sup>, 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 factory<sup>2</sup>, and Volkswagen to follow suit with an 8 billion Euro "gigafactory"<sup>3</sup>. Battery producers will inevitably desire a sustainable lithium supply from within Europe if possible. Sourcing lithium from within 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 policies<sup>4</sup>. For these reasons, the Company has been pursuing projects in areas most prospective for lithium-bearing minerals petalite and spodumene in Portugal.

### Lithium Processing in Europe

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

- The established storage, energy 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 are likely to be made on a daily basis.

<sup>1</sup> USGS Mineral Commodity Summaries, 2016

<sup>2</sup> <http://media.daimler.com/deeplink?cci=2734603>

<sup>3</sup> <http://www.telegraph.co.uk/business/2016/05/27/vw-to-invest-8bn-in-battery-factory-as-it-tries-to-reinvent-itse/>

<sup>4</sup> Fraser Institute Survey of Mining Companies 2015



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- 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, educated 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 lithium battery supply chain in Europe; reducing the capital requirements of the supply chain.

**-ENDS-**

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