



ACN: 009 146 794

ASX ANNOUNCEMENT

ASX: DKO

10<sup>th</sup> of April 2017

#### 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:	\$18.2m
Cash:	\$16.0m

#### CONTACT DETAILS

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## Sepeda Lithium Project Update

– For Immediate Release –

### Highlights:

- **Phase three drilling continuing; first results expected by late April**
- **41 holes for 6,218m of RC and diamond drilling completed to date, bringing total metres drilled at Sepeda to 13,489m**
- **Over 5,000m of diamond drilling yet to be completed**
- **Resource update on track for Q3 2017**
- **Phase four drill planning under way, to produce 20 tonnes of representative material for the first five years of production for pilot plant test work – scheduled for Q3/4 2017**

Dakota Minerals Limited (“Dakota”, “DKO”, or “Company”) is pleased to provide an update on the **Sepeda Lithium Project (“Sepeda”)** in Portugal, the largest JORC lithium pegmatite resource in Europe.

Phase three drilling is now well advanced, with 41 holes for 6,218m of RC and diamond drilling completed to date. Over 5,000m of diamond drilling is still to be completed. The first results for phase three drilling are expected to be available by the end of April.

Upon completion of the phase three drilling a Mineral Resource update, which is still on track for CY Q3 2017, will be calculated. Diamond core drilling, from phase three, will also provide material for detailed metallurgical test work to be undertaken as part of a Feasibility Study to be completed later in the year.

Phase four drilling is currently being designed to provide 20 tonnes of representative material from the first five years of production for pilot plant test work.

Dakota Minerals’ CEO David Frances commented: *“The decision by the Company to accelerate the drilling program and commit to detailed test work is a direct result of growing interest from downstream lithium processors. This includes industrial groups within and outside of Europe interested in establishing a reduced carbon footprint, self-sufficient European supply chain.”*

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*Mr Frances also said the Company was pleased with findings from initial test work for Europe's technical market.*

*"Sighter test work at Dorfner Anzaplan has indicated that a very-low impurity petalite concentrate can be produced from the Sepeda material, suitable for the high-tech glass and ceramics market. We also look forward to receiving the results from the lithium carbonate test work later this month."*

## About Dakota Minerals

Dakota Minerals' aim is to become a sustainable supplier of ultra-low impurity petalite concentrate and lithium carbonate/hydroxide, to the high-tech glass and ceramics industry and the European electric vehicle and stationary storage battery markets 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<sup>1</sup>, 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<sup>2</sup>, Samsung<sup>3</sup>, BMZ<sup>4</sup>, Daimler-Mercedes<sup>5</sup>, Tesla<sup>6</sup>, Audi<sup>7</sup> and LG Chem<sup>8</sup>.

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

<sup>2</sup> <http://europe.autonews.com/article/20160121/ANE/160129975/nissan-will-produce-leafs-new-advanced-batteries-in-uk>

<sup>3</sup> <http://www.samsungsdi.com/sdi-news/1482.html>, <https://cleantechnica.com/2015/05/25/samsung-sdi-begun-operations-former-magna-steyr-battery-pack-plant/>

<sup>4</sup> <http://www.electronics-eetimes.com/news/european-battery-gigafactory-opens-1/page/0/1>

<sup>5</sup> <http://media.daimler.com/deeplink?cci=2734603>

<sup>6</sup> <https://electrek.co/2016/11/08/tesla-location-gigafactory-2-europe-2017-both-batteries-and-cars/>

<sup>7</sup> <http://europe.autonews.com/article/20160120/ANE/160129994/-audi-will-build-electric-suv-in-belgium-shift-a1-output-to-spain>

- 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<sup>9</sup>.

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.

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#### **Contacts:**

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**David J Frances**

**Managing Director – CEO**

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<sup>8</sup> <http://www.lgchem.com/global/lg-chem-company/information-center/press-release/news-detail-783>

<sup>9</sup> Fraser Institute Survey of Mining Companies 2015