



Dakota Minerals Limited

ACN 009 146 794

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**DAKOTA MINERALS LIMITED  
(formerly Oroya Mining Limited)**

**FINANCIAL REPORT**

**For the Half-Year Ended 31 December 2014**

# Dakota Minerals Limited

ABN 16 009 146 794

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**DIRECTORS' REPORT**

Your Directors submit their report for the half-year ended 31 December 2014.

**DIRECTORS**

The names of the Company's Directors in office during the half-year and until the date of this report are as below:

- Mr Anthony Rechner (Executive Director) – Appointed 24 October 2014
- Mr Joshua Wellisch (Non-executive Director)
- Mr Wade Guo (Non-executive Director)
- Mr Timothy Neesham (Non-executive Director) – Appointed 24 October 2014
- Mr Ping Zhao (Executive Director) – Resigned 24 October 2014
- Mr Ping Zhao (Alternate Director for Mr Guo) – Appointed 5 March 2015

The Directors were in office for the entire period unless otherwise stated.

Company Secretary is Mr Mathew Whyte.

**REVIEW OF AND RESULTS OF OPERATIONS**

The net loss after income tax for the half-year was \$128,108 (31 December 2013: \$301,352).

Dakota is an Australian-based mineral explorer, focused on the exploration and discovery of large copper and base metal projects.

Several significant corporate and project transactions have recently been completed.

**Corporate**

At the Company's Annual General Meeting held on 11 December 2014, shareholders approved the various resolutions required to complete the terms of the re-capitalisation offer from CPS Capital Group Pty Ltd (as announced on 27 October 2014), including:

1. Changes to the board of Directors by the appointment of new directors Mr Timothy Neesham and Mr Anthony Rechner and the resignation of Mr Ping Zhao effective from Friday 24 October 2014;
2. The consolidation of Company's Securities at a ratio of 100:1, which was subsequently effected on 24 December 2014;
3. Change of name of the Company to Dakota Minerals Limited, which was subsequently effected on 30 December 2014; and
4. A placement of 36,744,973 Shares (on a post-consolidation basis) at an issue price of \$0.016 per Share to raise \$587,920 and the issue of 10,000,000 unlisted options (on a post-consolidation basis), exercisable at \$0.016 on or before 31 December 2018 which was completed on 30 December 2014.

Following the above transactions the Company's Capital structure is as follows:

**Quoted Securities:**

Number	Class	ASX Code
68,333,906	Ordinary Fully Paid	DKO
6,600,004	Options exercisable at \$0.30 expiring 30 June 2015	DKOO

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## Un-quoted Securities:

Number	Class	ASX Code
10,000,000	Options exercisable at \$0.016 expiring 31 December 2018	DKOAA
400,000	Options exercisable at \$0.50 expiring 30 November 2015	DKOAI
650,000	Options exercisable at \$0.50 expiring 30 November 2015	DKOAK
250,000	Options exercisable at \$0.70 expiring 30 November 2015	DKOAM

## Projects

At the date of this report, Dakota held interests in the following projects:

### ***Orbost Copper Project –Victoria (Dakota: 100%)***

The Orbost Project, about 30 kilometres north of the town of Orbost, within EL4933 and EL 4981 that was granted to the Company in August 2011, covers a regional metallogenic zone prospective for copper and mineralisation.

On 27 January 2015 the Company announced it has entered into Farm- Out Agreement with Kingston Resources Limited (ASX: KSN) to further exploration at the Orbost Copper Project EL 4933 in Victoria.

The agreement will ensure follow up of potential small tonnage high grade mineralisation identified at McDougall's historic prospecting shafts previously inaccessible until after the recent bushfires through the area known as Copper Ore Creek within Orbost EL 4933.

Dakota has also submitted application for funding under Victorian Target Minerals Exploration Initiative at Orbost. There is no assurance that the application will be successful.

Key Terms of the Farm Out Agreement are as follows:

- 1 KSN will earn a 40% interest by undertaking surface mapping and sampling to further define the size and orientation of the Cu mineralisation and drilling 2 holes to test the potential of the target and the geophysical conductor.
- 2 By the expenditure of a further A\$1million, KSN can earn a further 40% interest.

A summary of the geological prospects of the Orbost project is contained in the Company's recent ASX Announcement dated 27 January 2015.

### ***NSW, Sofala Gold-Copper Project, Wiagdon Thrust Joint Venture (Dakota 30% free -carried, Perpetual Resources 70%)***

Perpetual Resources Limited (ASX:PEC) earned a 70% interest in the Sofala Wiagdon Thrust Joint Venture by completing the Earn-In Expenditure of a minimum of \$1.5 million within the deemed Earn-In Period. Dakota Minerals Limited is now free carried until the mining commencement date, with a 30% Project Interest.

The Sofala - Wiagdon Thrust Joint Venture (Perpetual 70%/Dakota 30%) Project contains 10 Exploration Licences located within the Lachlan Fold Belt in eastern NSW with their centre 180km northwest of Sydney. The area contains many historical alluvial and hard rock gold workings with recorded production from the area and including the adjacent Hill End and Hargraves goldfields (20km and <10km respectively) west of the Project area of 4.15 million ounces.

The Project is actively exploring for potential large tonnage, structurally controlled, disseminated or vein controlled gold, gold-antimony, and gold-copper deposits associated with volcanic and intrusive porphyry and epithermal regimes. Please refer to Perpetual Resources Limited (ASX: PEC) 2nd Quarter Activities Report to 31 December 2014.

***New project initiatives***

During the period and at the date of this report the Company continues assessing advanced projects for acquisition and other opportunities for approval by Shareholders and the ASX. The outcomes of these investigations cannot be predicted at this time. The Company may require further capital to sustain its activities.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than reported above in the Review of Results and Operations, there were no significant changes in the state of affairs of the Company during the reporting period.

**EVENTS AFTER THE BALANCE SHEET DATE**

On 20 January 2015, the Company established a share sale facility for holders of parcels of DKO shares with a market value of less than A\$500 as at the close of trade on 15 January 2015 (Unmarketable Parcels). The Sale facility closed on 6 March 2015 and a total of 4,923,357 Shares were transferred to the Company's appointed sale agent CPS Capital Group Pty Ltd to affect their sale at a fixed price of \$0.016 per Share. Proceeds from the sale will be paid to participants of the Sale Facility.

On 27 January 2015 the Company executed a Farm-out Agreement with Kingston Resources Limited to further exploration at its Orbest copper project (EL 4933) in Victoria.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

**AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration is set out on page 17 and forms part of the Directors' Report for the half year ended 31 December 2014.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors.



**Mr Anthony Rechner**  
**Director**

12 March 2015  
Perth.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
Revenue		2,161	5,734
Other income	4	-	60,000
Employee benefits expenses		(52,850)	(169,203)
Depreciation expense		(529)	(646)
Impairment of exploration and evaluation expenditure	7	-	(25,281)
Impairment loss on available-for-sale financial assets		-	(13,333)
Legal and audit expense		(31,024)	(30,952)
Other expenses		(45,866)	(127,671)
<b>Loss before income tax benefit</b>		<b>(128,108)</b>	<b>(301,352)</b>
<b>Income tax benefit</b>		<b>-</b>	<b>-</b>
<b>Loss for the period</b>		<b>(128,108)</b>	<b>(301,352)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net fair value gain on available-for-sale financial assets		3,333	-
<b>Other comprehensive income for the period, net of tax</b>		<b>3,333</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(124,775)</b>	<b>(301,352)</b>
<b>Loss per share (cents per share)</b>		<b>¢</b>	<b>¢</b>
Basic loss per share for the period		(0.358)	(1.08) <sup>1</sup>
Diluted loss per share for the period		(0.358)	(1.08) <sup>1</sup>

<sup>1</sup> Comparative restated to reflect the impact of the 1:100 share consolidation on 24 December 2014

The accompanying notes form part of these financial statements.

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# Dakota Minerals Limited

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		572,775	221,541
Trade and other receivables		16,257	16,679
Available-for-sale financial assets	6(a)	15,833	12,500
		604,865	250,720
<b>Total Current Assets</b>			
<b>Non-current Assets</b>			
Available-for-sale financial assets	6(b)	6,000	6,000
Other financial assets		10,000	10,000
Plant and equipment		552	1,081
Deferred exploration and evaluation expenditure	7	2,201,441	2,132,520
		2,217,993	2,149,601
<b>Total Non-current Assets</b>			
		2,822,858	2,400,321
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		60,288	139,171
Provisions		-	75,600
		60,288	214,771
<b>Total Current Liabilities</b>			
		60,288	214,771
<b>TOTAL LIABILITIES</b>			
		2,762,570	2,185,550
<b>NET ASSETS</b>			
<b>EQUITY</b>			
Contributed equity	5	36,144,577	35,557,522
Share based payment reserve		679,053	564,313
Available for sale reserve		3,333	-
Accumulated losses		(34,064,393)	(33,936,285)
		2,762,570	2,185,550
<b>TOTAL EQUITY</b>			

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

**HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(248,809)	(346,135)
Interest received		2,161	5,734
		<hr/>	<hr/>
<b>Net cash flows used in operating activities</b>		(246,648)	(340,401)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Payment for environmental obligation		(45,600)	-
Exploration and evaluation expenditure		(68,427)	244
Proceeds from the sale of prospects		-	10,000
Proceeds from the sale of other fixed assets		-	5,000
		<hr/>	<hr/>
<b>Net cash flows from/(used in) investing activities</b>		(114,027)	15,244
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Consideration received for unlisted options issued		510	-
Proceeds from issue of capital		715,087	296,637
Expenses related to share issue		(3,688)	(20,496)
		<hr/>	<hr/>
<b>Net cash flows from financing activities</b>		711,909	276,141
		<hr/>	<hr/>
Net increase in cash and cash equivalents		351,234	(49,016)
Cash and cash equivalents at beginning of period		221,541	464,803
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>		572,775	415,787
		<hr/>	<hr/>

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### HALF-YEAR ENDED 31 DECEMBER 2014

	<i>Contributed equity</i>	<i>Share based payment reserve</i>	<i>Available for sale reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	\$	\$	\$	\$	\$
<b>At 1 July 2014</b>	35,557,522	564,313	-	(33,936,285)	2,185,550
Loss for the period	-	-	-	(128,108)	(128,108)
Other comprehensive income	-	-	3,333	-	3,333
Total comprehensive loss for the period	-	-	3,333	(128,108)	(124,775)
Transactions with owners in their capacity as owners					
Issue of options	1,000	-	-	-	1,000
Issue of shares	715,087	-	-	-	715,087
Transaction costs of share issue	(159,032)	114,740	-	-	(44,292)
Share based payments	30,000	-	-	-	30,000
<b>At 31 December 2014</b>	<b>36,144,577</b>	<b>679,053</b>	<b>3,333</b>	<b>(34,064,393)</b>	<b>2,762,570</b>
	<i>Contributed equity</i>	<i>Share based payment reserve</i>	<i>Available for sale reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	\$	\$	\$	\$	\$
<b>At 1 July 2013</b>	35,281,381	564,313	-	(33,354,139)	2,491,555
Loss for the period	-	-	-	(301,352)	(301,352)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(301,352)	(301,352)
Transactions with owners in their capacity as owners					
Issue of options	296,637	-	-	-	296,637
Transaction costs of option issue	(20,496)	-	-	-	(20,496)
<b>At 31 December 2013</b>	<b>35,557,522</b>	<b>564,313</b>	<b>-</b>	<b>(33,655,491)</b>	<b>2,466,344</b>

The accompanying notes form part of these financial statements.

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# Dakota Minerals Limited

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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### 1. CORPORATE INFORMATION

The financial report of Dakota Minerals Limited (“the Company”) and its controlled entities (“the Group” or “consolidated entity”) for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 12 March 2015.

The Company is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The address of the registered office is 25-27 Jewell Parade, North Fremantle WA 6159.

### 2. BASIS OF PREPARATION

#### (a) Basis of preparation

This half-year financial report for the half-year ended 31 December 2014 is a condensed general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2014.

It is also recommended that the half year financial report be considered together with any public announcements made by Dakota Minerals Limited during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

From 1 July 2014 the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective from 1 July 2014. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

#### (b) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity has incurred an operating loss of \$128,108 (2013: \$301,352) and negative operating cash flows of \$246,648 (2013: \$340,401) for the half year ended 31 December 2014. The consolidated entity's net current asset position at 31 December 2014 was \$544,577, including cash and cash equivalents of \$572,775.

Whilst sufficient cash is available to meet general and administrative requirements, additional funding may be necessary for the consolidated entity to pursue new projects and opportunities in the next 12 months.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the consolidated entity will be able to continue its planned operations and the consolidated entity will be able to meet its obligations as and when they fall due because the directors are confident that the consolidated entity has sufficient cash available to meet its general and administrative requirements in the short term and will be able to raise additional capital if required.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Should the consolidated entity not achieve the matter set out above, there is uncertainty as to the consolidated entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements of the consolidated entity do not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification that may be necessary should the consolidated entity not continue as a going concern.

### 3. SEGMENT INFORMATION

For management purposes, the Company is organised into one main operating segment, which involves exploration for mineral deposits throughout Australia. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. All non-current assets are located in Australia (the Company's country of domicile) and all revenue is earned in Australia.

	CONSOLIDATED	
	31 December 2014	31 December 2013
	\$	\$
<b>4. OTHER INCOME</b>		
Gain on sale of tenement application rights	-	60,000
Total other income	-	60,000

	CONSOLIDATED	
	31 December 2014	30 June 2014
	Number	\$
<b>5. CONTRIBUTED EQUITY</b>		
(a) Issued and paid up capital:		
Contributed Equity	36,144,577	35,557,522
(b) Movements in contributed equity during the past six months were as follows:		
Issued and paid up capital: 31 December 2014	68,333,906	36,144,577
<b>Ordinary shares</b>		
Opening balance at 1 July 2014	2,962,413,432	35,100,823
Add: Shares issued during the period	-	-
- Placement	158,958,951	127,167
- Share based payment (refer note 8)	37,500,000	30,000
Less: Transaction costs on share issue	-	(3,687)
Balance pre-consolidation	3,158,872,383	35,254,303
Consolidation on 1:100 basis	(3,127,283,450)	-
Add: Shares issued during the period (post-consolidation)	36,744,973	587,919
Less: Transaction costs on share issue	-	(155,344)
Total shares on issue at 31 December 2014	68,333,906	35,686,878

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Number	\$
<b>Listed Options</b>		
Opening balance at 1 July 2014 pre-consolidation	660,000,000	456,699
Consolidation on 1:100 basis	(653,400,000)	-
	6,600,000	456,699
<b>Unlisted Options</b>		
Opening balance at 1 July 2014	125,000,000	-
Consolidation on 1:100 basis	(123,750,000)	-
Add unlisted options issued during the period:	10,000,000	1,000
	11,250,000	1,000
		36,144,577
Total contributed equity at 31 December 2014		36,144,577

### 6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>CONSOLIDATED</b>	
	<b>31 December 2014</b>	<b>30 June 2014</b>
	\$	\$
Available-for-sale financial assets at fair value		
(a) Current		
At fair value		
Shares - listed	15,833	12,500
	15,833	12,500
(b) Non-current		
At cost		
Shares - unlisted	6,000	6,000
	6,000	6,000

### 7. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs	2,201,441	2,132,520
	2,201,441	2,132,520
Reconciliation of carrying amount		
Opening balance	2,132,520	2,125,588
Expenditure incurred during the year	68,921	32,213
Impairment	-	(25,281)
	2,201,441	2,132,520
Closing balance	2,201,441	2,132,520

The Directors have reviewed all exploration projects for indicators of impairment in light of approved budgets. Where substantive expenditure on further exploration is neither budgeted nor planned, or the period for which the Company has the right to explore will expire in the near future and is not expected to be renewed, the area of interest has been written down to nil pending the outcome of any future farm out arrangement. The Company will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### 8. SHARE BASED PAYMENTS

During the period the following options were granted in exchange for underwriting services under the terms of the re-capitalisation offer from CPS Capital Group Pty Ltd:

Grant date	Expiry date	Grant date fair value \$	Exercise price \$	Number issued	Vesting date
11-Dec-14	31-Dec-18	0.011574	0.019	10,000,000	Immediate

The assessed fair value of the options was determined using a Black Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The following assumptions were used in the estimation:

- Risk free interest rate of 2.39%
- Company share price of \$0.019
- Dividend Yield of 0%
- Expected volatility of 75%
- Option exercise price of \$0.016
- Option duration of 4.06 years

On 15 October 2014, the Company also issued 37,500,000 (375,000 on post-consolidation basis) fully paid ordinary shares at a deemed issue price of \$0.0008 per share issued in lieu of a \$30,000 debt liability to the provider of an Environmental Offset Management Agreement for exploration work on the Company's Orbost project in Victoria.

The terms of the previously issued options have been modified to reflect the recent share consolidation with no consequential increase in fair value.

### 9. FINANCIAL INSTRUMENTS

#### Risk Management Activities

The risk management activities are consistent with those of the previous financial year unless otherwise stated.

#### Financial Instruments

Set out below is an overview of financial instruments held by the Group:

	CONSOLIDATED	
	31 December 2014 \$	30 June 2014 \$
<b>Financial assets:</b>		
Cash and cash equivalents	572,775	221,541
Trade and other receivables – at amortised cost	16,257	16,679
Available-for-sale financial assets - at fair value	15,833	12,500
<b>Total current</b>	<b>604,865</b>	<b>250,720</b>
Other financial assets - at amortised cost	10,000	10,000
Available-for-sale financial assets - at cost	6,000	6,000
<b>Total non-current</b>	<b>16,000</b>	<b>16,000</b>
<b>Total</b>	<b>620,865</b>	<b>266,720</b>
<b>Financial liabilities:</b>		
Trade and other payables - at amortised cost	60,289	139,171
<b>Total</b>	<b>60,289</b>	<b>139,171</b>

#### Fair Values

# Dakota Minerals Limited

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Due to the nature of the Group's financial instruments, carrying value is considered to approximate fair value for all classes of financial instruments at 31 December 2014.

### Fair value hierarchy

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	31 December 2014			30 June 2014				
	Quoted market price (Level 1)	Valuation technique- market observable inputs (Level 2)	Valuation technique- non market observable inputs (Level 3)	Total	Quoted market price (Level 1)	Valuation technique- market observable inputs (Level 2)	Valuation technique- non market observable inputs (Level 3)	Total
<b>Financial assets recognised at fair value</b>								
Available-for-sale investments	15,833	-	-	15,833	12,500	-	-	12,500

### 10. RELATED PARTY TRANSACTIONS

- 1) During the period \$10,000 (2013: \$20,000) was paid to ACAD International Pty Ltd, a related party of W Guo, for director fees.
- 2) During the period \$10,000 (2013: \$20,000) was paid to NRG Capital Pty Ltd, a related party of J Wellisch, for director fees.
- 3) During the period \$1,125 (2013: \$5,000) was paid to Tangram Pty Ltd, a related party of A Rechner, for office rent.
- 4) During the period \$50,000 (2013: \$Nil) was paid to Yucai Australia Pty Ltd, a related party of P Zhao, for settlement of past office rent.
- 5) Soaraway Development Pty Ltd, a related party of P Zhao subscribed and paid for 5,156,250 Shares pursuant to a placement under the terms of the re-capitalisation offer from CPS Capital Group Pty Ltd as approved by Shareholders.
- 6) Tangram Pty Ltd, a related party of A Rechner, subscribed and paid for 6,250,000 Shares and 1,000,000 Options pursuant to the placement under the terms of the re-capitalisation offer from CPS Capital Group Pty Ltd as approved by Shareholders.
- 7) Richsham Nominees Pty Ltd and Honeyham Family Trust, related parties of T Neesham, subscribed and paid for 4,875,000 Shares and 750,000 Options pursuant to the placement under the terms of the re-capitalisation offer from CPS Capital Group Pty Ltd as approved by Shareholders.

# Dakota Minerals Limited

ABN 16 009 146 794

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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### 11. EVENTS AFTER THE BALANCE SHEET DATE

On 20 January 2015, the Company established a share sale facility for holders of parcels of DKO shares with a market value of less than A\$500 as at the close of trade on 15 January 2015 (Unmarketable Parcels). The Sale facility closed on 6 March 2015 and a total of 4,923,357 Shares were transferred to the Company's appointed sale agent CPS Capital Group Pty Ltd to affect their sale at a fixed price of \$0.016 per Share. Proceeds from the sale will be paid to participants of the Sale Facility.

On 27 January 2015 the Company executed a Farm-out Agreement with Kingston Resources Limited to further exploration at its Orbost copper project (EL 4933) in Victoria.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

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# Dakota Minerals Limited

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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### DIRECTORS' DECLARATION AT 31 DECEMBER 2014

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
- i. giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the Consolidated Entity; and
  - ii. complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporation Regulations 2001; and
- (b) subject to the matter set out in Note 2(b) 'Going concern' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors' of Dakota Minerals Limited made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Mr Anthony Rechner**  
**Director**

12 March 2015  
Perth



## Auditor's Independence Declaration to the Directors of Dakota Minerals Limited

In relation to our review of the financial report of Dakota Minerals Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



V L Hoang  
Partner  
12 March 2015

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## Independent review report to members of Dakota Minerals Limited

### Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Dakota Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dakota Minerals Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dakota Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2(b) in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



V L Hoang  
Partner  
Perth  
12 March 2015