



ACN: 009 146 794

ASX ANNOUNCEMENT

ASX: DKO

21 November 2016

EIA and Scoping Study commenced - Sepeda Lithium Project, Portugal

– For Immediate Release –

Highlights:

- **Mid-2019 target date for first production**
- **Scoping Study and Environmental Impact Assessment (EIA) work has commenced for the development of the Sepeda Lithium Project**
- **Hatch Pty Ltd. commissioned to carry out the Scoping Study – leader in design and construction of lithium chemical production plants**
- **Review of dual listing commenced**

Dakota Minerals Limited (“Dakota”, “DKO”, or “Company”) is pleased to provide shareholders with an outline of the development timeline for the Sepeda Lithium Project in Portugal. Significantly, Dakota is aiming to commence production in mid-2019, only three years after the first discovery of lithium at Sepeda by the Company. This timing coincides with the planned opening of various lithium-ion battery factories across Europe, and the completion of capacity expansion at existing battery plants.

As a major step, the Company is pleased to announce the commencement of a Scoping Study and Environmental Impact Assessment (EIA), at its Sepeda Lithium Project in northern Portugal. Hatch Pty Ltd., a global EPCM company with very significant experience designing and building lithium carbonate plants worldwide, has been commissioned to carry out the Scoping Study.

This process will be complemented by the metallurgical testwork currently underway at Dorfner-Anzaplan in Germany.

Visa Consultores, a Portuguese environmental consultancy, has been engaged to carry out the EIA. This is expected to take 18-months to complete and is required to enable mining and processing at Sepeda.

Dakota Minerals CEO David Frances commented: *“We have established an aggressive timeline and as a first step we are pleased to partner with Hatch, one of the best-known designers and builders of downstream lithium processing plants in the industry. This will stand us in good stead to achieve our goals as we embark upon a rapid development timeline to position ourselves as a key domestic supplier to the fast-growing European lithium market.”*

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:	362.6m
Options Issued:	31.2m
Market Cap:	\$21.0m
Cash:	\$13.5m

CONTACT DETAILS

25-27 Jewell Parade
North Fremantle 6159
info@dakotaminerals.com.au

T: +61 8 9336 6619
F: +61 8 9335 3565

www.dakotaminerals.com.au

ACN: 009 146 794

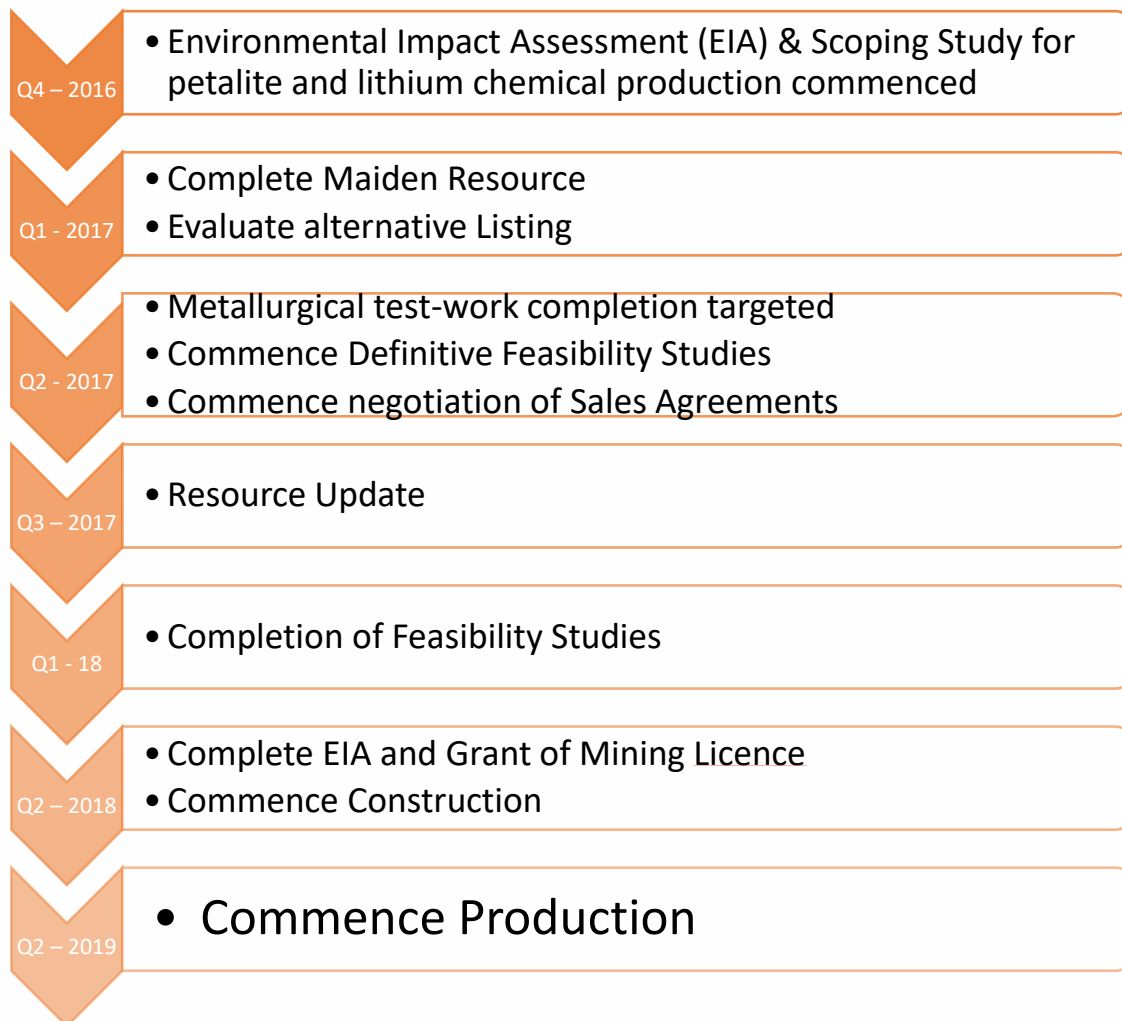


Figure 1: Timeline to production - Sepeda Lithium Project, Portugal

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 Europe¹, 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 factory², and Volkswagen to follow suit with an 8 billion Euro “gigafactory”³. 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 policies⁴. 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:

- 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.
- 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.

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.

¹ USGS Mineral Commodity Summaries, 2016

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

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

⁴ Fraser Institute Survey of Mining Companies 2015



-ENDS-

Contacts:

Dakota Minerals Limited

Tel: +61 (8) 9336 6619

David J Frances

Managing Director – CEO

Cannings Purple

Mob: 0406 775 241

Michael Cairnduff

Account Manager